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TRIBAL WELFARE

GROWTH, SUSTAINABILITY, OR...?

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EDITORIAL - SOME HIGHLIGHTS

I General Economic Scene

State

Weather and Prices

September recorded rains throughout the state. North and South Arcot, Thanjavur, Coimbatore, Nilgiris received heavy and continuous rains which to some extent interfere with the kuruvai harvest and also with the transplantation of the samba paddy crop. The Mettur reservoir which stood at over 110 feet had the drawal of water suspended. The tail-end areas in Thanjavur district reported water logging which however did not affect the crop as the surplus waters were diverted into the Coloroon. The state government introduced in mid-September price control for wheat production, sooji, maida, atta and bran. Sooji and maida at Rs. 180-185 per quintal and Rs. 1.90 per kg. retail, atta Rs. 83-84 per quintal and 85 paise per kg. retail, and bran Rs. 62-64 per quintal and 65 paise per kg. retail. The rates include taxes and margin.

Power

The power position in September in the state was normal but the situation will deteriorate in the coming months. Hydel power generation in September was at a maximum, but by the first week of January this sector will be generating the minimum: the Ennore thermal plant has not recovered and is becoming a sick plant; Tuticorin which is being run by oil firing will face operational problems when it is switched to coal firing, will need at least 6 months to stabilise itself and produce the 200 to 210 MW expected of it; Neyveli except during the monsoons is expected to maintain normal supply. The Mettur thermal project (420 MW) and the North Madras thermal plant (630 MW) are still in the project report stage. The State and the Tamil Nadu Electricity Board thus face a difficult year. It is estimated that the state will have a power deficit of 1,246 Kwh which is 16 per cent this year, and may increase to 25 per cent, with a 20 per cent cut in LT industries. The government approached Kerala for increased power supply, over and above the current supply of 5 million units, to meet this deficit but Kerala which is also supplying power to Karnataka and whose own hydel position this year is yet to be determined, has been unable to accede to Tamil Nadu's demand and will decide on the request in December, which is the end of its rainy season. The State Electricity Board is starting a solar energy pilot project at Kulasekarapattinam in Tirunelveli district but this is a long term action. The demands meanwhile are increasing. The Tamil Nadu Small Scale Industries Association at its September meeting has asked the government to treat small units like agriculture, to make available power for 24 hours and remove peak

hour restrictions. The seriousness of the power situation which was reviewed at a meeting of power ministers of the southern states in September showed that Andhra Pradesh will have to increase its power cut from the current 30 per cent to 60 per cent, Karnataka will have to increase its cut from the present 44 per cent to 60 per cent. Only Kerala has a surplus of 1,669 Kwh, of which 909 Kwh goes to Karnataka and 760 Kwh to Tamil Nadu. The higher price being paid to Kerala (18 paise per unit) is making the State Electricity Board's financial position difficult as it ended last year with a loss of Rs. 23 crores, mainly due to certain sections of agriculturalists not paying their power bills amounting to Rs. 13 crores. The government also announced that there wil be no further lowering of power tariff for agriculture. The Southern power ministers meeting noted a number of points on which corrective action is to be taken: (a) first the average thermal capacity use has been continuously declining from 57.1 per cent in 1976-77 to 47.5 per cent in 1977-78 and further to 43.3 per cent in 1978-79, which is much lower than the national average. An effort must be made to increase utilisation at least to 50 per cent this year; (b) the completion and commissioning of new projects have been slack. In 1978-79 only 50 per cent of the targetted additional capacity had been executed. With the Union government assurance of essential raw material inputs like steel, aluminium, insulation, the rate of completion should be raised to 60-70 per cent immediately; and (c) transmission losses in the region are heavy—higher than the national average and tardiness in execution of new transmission projects Last year out of a target of 2,377 circuit Km of 220 KV lines in the region, only 579 circuit Km were completed. These too must be corrected. The Tamil Nadu Electricity Board has started a staff training college (inaugurated in early September) to provide the staff with basic technical courses on thermal and hydro-generation, transmission and sub-stations and rural electrification as well as safety procedures and care and maintenance of the plant.

For the country as a whole the power position in September was very bad. In Punjab, the government, faced with very limited power supply due to the low levels and releases of the Bakra and Pong reservoirs, closed down for a week starting September 4 all industrial units consuming more than 1 MW in order to conserve power for the rabi crop and meet the power famine that Punjab, Haryana and Rajasthan face in the coming winter. In UP there was 100 per cent power cut in September for steel rolling mills, mini steel plants and arc furnaces and 50-67 per cent cut in all continuous and non-continuous process industries. More generally in view of the inflow in 8 out of 17 of the country's main hydel reservoirs being zero or marginal, a 50-70 per cent power cut towards the end of the year seems unavoidable, for the country as a whole. During April-August last year due to good rains hydel generation increased by 20 per cent (even then the power cut was 30 per cent). During April-August this year hydel generation increase was a mere 5.8 per cent. On top the water is drawn wastefully to meet political purposes such as local elections. This year's generation target of 112 billion units is based on the unrealistic hope that thermal generation will increase by 17.5 per cent, while it increased last year (when we had a central government) by 3 6 per cent. Reports in September from Faridabad where due to power shortage production worth Rs. 50 crores a month are lost, from Orissa which like Kerala is usually a surplus state a power cut ranging from 25 per cent to 33 per cent on thirteen major industries

were imposed, from Bihar coal mining operations in Jharia-Dhanbad coal fields having come to a halt because DVC stopped power supply to the area, from Eastern Coal fields whose coal production and safety arrangements were endangered because of no generation from Durgapur, and from West Bengal where two units went out of action causing a shortfall of 114 MW. The Union government points to the need for more realistic planning of the demand for power which is growing at a much faster rate than the anticipated 10 per cent, being nearer 12.5 to 15 per cent. Another factor is the reported poor performance of BHEL generating sets. which a Union ministry committee put at 37 to 41 per cent compared to the 51 to 60 per cent efficiency of imported sets. And then there are problems of tardy commissioning, low capacity use and transmission losses (even a 5 per cent saving in these losses will mean a saving of 5,000 milion units) plus the supply of coal, steel and other inputs. In the absence of a central authority, the states will have to take the initiative and move on this front—if a crisis to the economy is to be avoided this year.

Port

The problem of congestion at Madras harbour had been tackled by bringing down the number of waiting ships from 28 in June to 15 in September, but the delays have begun increasing and at the end of August, the waiting time was 25 to 28 days. The congestion in Madras port is due to the diversion of ships from Bombay, bunched arrival of the vessels and much larger imports due to the liberalised import policy. There are also other more serious factors which can be corrected such as congestion in the sheds, shortage of labour and imperfect and inadequate equipment, which means that though preberthing delays are reduced, the turnaround period is not. At the end of September, the Madras Port Trust decided to levy penal demurrage of Rs.40 per unit per day for uncleared goods from the sheds. The occupation of space in the sheds by uncleared cargo by importers has reached a point, that this punitive action has had to be taken and this will relieve the congestion to some extent. But the availability of labour and further mechanised handling cargo are essential for solving the problem.

Communication

A 20 line telex exchange at Ranipet was opened in September, making the 12th such station in the country Other telecommunications developments are the interlinking of the trunk automatic exchanges at Vijayawada and Bangalore and the installation work connecting Adilabad with the Hyderabad trunk automatic exchange.

Slum Clearance

With the building of tenements and the various improvement programmes for the city slums, the Slum Clearance Board has now issued and is implementing a directive to prevent the creation of new slums. Any hut that is put up is immediately notified and removed. Two areas where such action was taken was at the Anna flyover and Valluvarkottam. Of the 11,000 tenements to be built at a cost of Rs. 11 crores, 6,000 tenements have already been built and are being allotted to the ex-slum dwellers,

National

VI Plan

The 1979-80 Annual Plan investment is to Rs. 12,601 crores—Rs.90 crores more than the estimate set forth in the budget for

the year(see vol.IX p.186).The Annual Plan outlay during 1978-79 was Rs. 11,650 crores (in the budget estimate it was placed at Rs. 11,649 crores). The maintenance of expenditure of the Fifth Plan schemes completed by the end of 1978-79 amounts to Rs. 805 crores and is treated as non-plan, so that the total development outlay for 1979-80 is 16 per cent higher than the Plan outlay for 1978-79. During the VI Plan, edible oil production by 22,000 new ghanis is to be increased fivefold in terms of value, raising the annual value from the present Rs. 40 crores to Rs. 200 crores. About 5,000 improved bullock-driven ghanis and 17,000 power-operated ghanis would be operated by 1982-83.

Prices

The wholesale price index for August (week ending August 25) registered 218.9 which was an increase of 17.3 per cent compared to August end 1978, a rise of 19.2 per cent as from the end of February this year, and a rise of 4 per cent for the month of August. The biggest increases over the year were in jute manufactures by 64 per cent, sugar by 55 per cent, petroleum 57 per cent, edible oils 28 per cent, oil seeds 21.6 per cent, cement 20.4 per cent and mineral oils, paper, chemicals, iron and steel, tranport equipment rose during the year by 19 per cent. In fact only pulses, fertilizers and drugs and medicines recorded marginal declines by 1-2 per cent. Despite the good foodgrain harvest last year and the foodgrain buffer of 21 million tonnes, cereals increased by 9.0 per cent during the year and1.7 per cent during August. Both the monthly and annual increases show that the economy is now in the grip of a severe inflationary spiral. The factors forming the inflation are increased borrowing from RBI by the government of Rs. 1,355 crores to finance its deficit spending which at the end of September was estimated at Rs. 2,500 crores, increased money supply which during the slack season rose by 4.2 per cent (last year 1.6 per cent) and during the first 4 months by 5.2 per cent (last year 3.3 per cent), the additional DA costing Rs. 36 crores paid to the Union government employees as from August 1, the CDS and bonus payments, the failure of STC to deploy its edible oil stock to keep oil prices down, the OPEC price rises, the artificial shortages being created by traders, the increased procurement paddy prices expected and later announced, the disturbed industrial relations situation and in particular the nation-wide one day public sector undertakings employees strike, the poor start of the expanded public distribution scheme (see vol. IX, pp. 399-400) which except for Kerala, Tamil Nadu, West Bengal and Punjab has been a non-starter and the slowdown in industrial production to be referred to later and the downturn in the key areas of power (as noted earlier), coal steel and railways. Retail prices are catching up and passing wholesale prices in the case of pulses, edible oils and sugar. In this connection it should be noted that the Rath Committee on consumer price index (see vol. VIII, p. 575), has recommended a corrective to this existing series which will step up the consumer price index by 7 points, on which, on the basis of the state government comments received by the Union government, a decision will soon be made by it. The extreme volatality of the gold and silver market during September when silver had shot up to Rs.2,200 per kg. and gold to Rs. 1,185 per 10 grams while a reflection of the international gold and silver market also reflect the unsettled inflationary state of the economy. In this context the I.G. Patel Committee to review the system of gold auctions has finalised its report

and is rightly recommending its non-resumption. Against this somewhat serious situation, the anti-inflationary action taken by the government and the RBI seem to be not very relevant or effective. These include some marginal reductions in telephone bills, car transportation, etc. of the Union ministers, the retention in their providentfund accounts of the interest payable to the CDS holders amounting to Rs. 43 crores (while Rs. 167 crores is repaid to them), some controls on sugar stocks, release and price, a directive to R B I to cut money supply by 10 to 12 per cent, the agreement with the chief ministers to keep prices of essential commodities down (without an indication of how this is to be done) and the RBI announcement on September 12 of increase in lending rates from 15 to 18 per cent and 16 to 19 per cent with particular application to specific commodity groups, and increase in deposit rates by ½ to 1 per cent on time deposits. Of the outstanding bank credit of Rs. 19,542 crores on August 31, 40 per cent (Rs. 8,717 crores) would have to pay 2-3 per cent more from August 13, amounting to about Rs. 200 crores per annum. This half-way house of a policy will probably result in increased deposits due to the deficit financing of the government and liquidity of the economy while the banks lending rates without a rise in the bank rate or a decision on the level of money which is to be permitted will hardly have any influence on prices, particularly as there is no policy on lending against inventories and the fact that the interest cost is tax deductible and is not as penal as it looks. At this stage given the fact that there will be no central government with a policy for the balance of the financial year, the question is posed as to whether we should not accept inflation and a rate, say 25 per cent, as built-in,and plan the economy accordingly.

State Loans

The total subscriptions to the loans of the 21 state governments which closed on September 1, amounted to Rs. 333.85 crores against the notified amount of Rs. 276.75 crores. For Tamil Nadu the notified amount was Rs. 28.25 crores and the subscription Rs. 31.08 crores.

Economy and Industry

The record of the overall economic growth for the first quarter April to June is poor and according to CSO registers a negative growth rate of around—0.9 per cent. In April, it was 2 per cent, in May —1 per cent, in June—0.8 per cent and in July also 0.8 per cent (estimated). The industrial production index was equally low. In April it was 145.9 compared to 143 in April 1978, in May it was 146.8 which was lower by 1.5 per cent compared to May 1978, which means that this year's industrial growth will not reach last year's 6.9 per cent. Growth during the period January-May 1979 took place in electricity (8.3 per cent), mining and quarrying (6.4 per cent) and manufactures (3 per cent). A relatively high growth was registered in aluminium, man-made fibres, some engineering and durable consumer goods. It was very low in steel, fertilisers, railway wagons and was minus in cement, coal, machines and paper. With agricultural production reaching its optimum level, the overall growth of the economy depends on industrial growth which will have to average 9-10 per cent if the overall economic growth plan target of 4.7 per cent is to be attained. The Economic Times reports that so far the economy has incurred a loss of Rs. 10,000 crores this year following shortages of industrial raw materials of steel, coal, pig iron, cement and furnace oil plus the non-availability of power. It also reports that the private corporate

sector did well in 1978-79, despite these input shortages and labour problems. 282 out of 359 companies analysed, that is 78.6 per cent, showed an increase in the value of their sales and 196 companies, that is 54.6 per cent, showed an increase in profits. However only 20 per cent of companies forecast better working results for 1979-80. Studies both in industrialised and developing countries—some 265 in the former and 40 in the latter show that multinational corporations have wide-ranging powers and raise questions of tax evasion, corruption, bribery and interpretation of local laws in their favour. There is enough evidence available to the government departments (Taxes, Enforcement Directorate, CBI etc) to show that the 40 per cent foreign capital participation limit imposed by FERA is of not much use, as US studies show that even a 10 per cent equity holding is enough to vest control in the MNC. Hence the need for greater legal constraints on the activities of MNCs, their exclusion from certain sectors and not making available to them the benefits of tax holidays without which they are able to collect their full gross profits has been urged and demands early attention by the government.

Public sector performance

Both the departments of Industrial Development and of Heavy Industry report good performance by the public sector units. The Department of Industrial Development reports a July production of Rs. 3.13 crores, which was 84.05 per cent of the target and 21.35 per cent higher than July 1978. For the 4 months April-July 1979-80 the total production was Rs. 41.11 crores which was 69.14 per cent of the target and 0.43 per cent higher than that of last year's first 4 months. The good performers were Cement Corporation (Rs. 197.36 lakhs, 77.51 per cent of July target), Hindustan Cables (Rs. 433.02 lakhs, 84 83 per cent of the target), Instrumentation Ltd. (Rs. 121.04 lakhs, 107 per cent of the target), and National Newsprint and Paper Mills (Rs. 116.16 lakhs, 71.64 per cent of the target). Similarly the Department of Heavy industry reports a July production of Rs. 86.29 crores which was 87 per cent of the target and for the period April-July Rs. 318.16 crores which was 85 per cent of the target. Here the good performers were BHEL (Rs. 48.60 crores in July, 88 per cent of the target), Hindustan Machine Tools (Rs. 14.88 crores, 98 per cent of the target), Burn, Bharat Heavy Plates and Vessels, Bharat Pumps and Triveni all of whom achieved 100 per cent of the target.

National Production Front

Steel

The shortage in steel supply is referred to earlier particularly in HR coils, heavy structurals and some categories of plates. On top of it the faulty steel distribution policy wherein private trade was totally eliminated from the distribution network from July 1978 resulted in the trade purchasing steel in the black market. As against the ceiling of 10,000 tonnes per month to be held by private trade, their estimated total stock is 5 to 6 lakh tonnes. Bombay's industrial belt has the largest parallel market stock of 2 lakh tonnes, followed by Calcutta at 1-1.5 lakh tonnes and the balance with private trade in Kanpur, Delhi and Madras. The premium rates for various items of steel range between 110-120 per cent. Against the official price of Rs. 2,200 per tonne for bars and rods, the black market rate is Rs. 4,000 per tonne; for steel plates

it is Rs. 4,200 per tonne against the official Rs. 3,000. Thus the steel distribution policy is feeding the black market to the tune of Rs. 1,000-Rs. 1,200 crores. The government is supposed to be working on a new steel distribution policy to various categories of consumers and the steel controller has, as of early September, blacklisted 135 firms for not making the desired use of steel allotted to them. But all this is not producing the steel in the official market. The ministry reports that steel imports are in the pipe line to increase availability and it also reports that August production of the 6 integrated plants increased beyond the July output of 46,200 tonnes ingot by 43,100 tonnes, though the increase in saleable steel was only 2,150 tonnes. Ingot steel production in August was 6,81,900 tonnes and saleable steel 5,18,700 tonnes, ASP increased its production from 6,910 tonnes in July to 7,330 tonnes Saleable pig iron from the SAIL plants increased from 52,700 tonnes in July to 71,500 tonnes in August. Coal supplies showed marginal improvement, with stocks at the plants increasing from 1,20,000 tonnes to 1,52,000 tonnes. It also reports that steps are being taken to build captive power plants at the Bokaro and Durgapur plants with 3× 60 MW at the former and 2×60MW at the latter. The year's target of 7.4 million tonnes will not be met and with future expansion limited to Bhilai and Rourkela and the continued delay over the finalisation of the Vizag plant and the absence of decision over the Vijayanagar project, steel shortage will plague the economy during the balance of the Sixth plan as well as in the Seventh plan. SAIL reports that 32 steel distribution centres have been opened in different parts of the country as part of the scheme launched in July to introduce a network in rural areas (see Vol. IX, p.402). By the end of September, 40 centres would become operative and a further 40 by the end the year. The centres are being operated by the State Apex Co-operative Marketing Federations and the State Agro Industries Corporations. About 50 tonnes per month are being supplied to each centre at a subsidised rate of Rs. 150 per tonne less than the stockyard prices to enable the farmer, blacksmith and artisan in the village to obtain steel without going to the black market or travelling to the city.

Crude

Widespread shortage of diesel in the country is reported. The Union government has notified the states that this year's diesel allocation to them would be 5 per cent higher than last year's. But with the start of the busy season the diesel shortage is affecting agriculture, industry and trade and the special schemes envisaged by the government for movement of important inputs like coal, cement, and fertilisers have received a serious setback, as reported by CIL and FCI. The ministry has now come out of its self-made excuses about hoarding and speculation being the cause and is negotiating to import additional quantities of HSD and kerosene to tide over the shortages. The Soviet Union has been approached for a small addition to its supply of HSD and kerosene; also Iran has been approached for full scale resumption of its crude supplies to the extent of 2 6 million tonnes of crude (which is also the amount that Iran supplied in the past to Madras Refinery); further negotiations are under way with Libya to stand by its promise to supply 1 million tonnes of crude this year, of which 3,50,000 tonnes have already

been shipped. The ministry is also importing 2,00,000 tonnes of fuel oil during September to meet the deficit of 78,000 tonnes of this fuel. Kuwait will supply 50,000 tonnes and other sources are being scouted. The shortage of furnace oil led to the below-target IOC wagon loadings in Madras. The uncertainties in the import of crude have led the government to revise its domestic production policy. Instead of conserving the country's crude resources over a longer time span, the revised Draft of the VI Plan has increased the crude target from 18 million tonnes to 18.04 million tonnes. Even more decisively the target of crude production for 1979-80 has been increased from 11.70 million tonnes to 13.15 million tonnes and almost the whole increase is to be achieved by ONGC which is to produce 10.30 million tonnes this year—5.90 tonnes from its onshore fields and 4.40 million tonnes from its offshore fields. Exploratory and developmental activities by ONGC are being intensified in the Eastern region to establish additional reserves to increase its own and offset Oil India's declining production. ONGC is taking advance action on Phase IV of Bombay High with the erection of 4 additional platforms in the north and 2 platforms in the South and Central parts. Its onshore drilling target is 2,23,000 meters and offshore target 72,000 meters for the current year. One setback in September was the strike in ONGC which disrupted the vital production area fortunately for only a short time as the government moved quickly to settle the dispute and let the oil flow to the refineries and consumers. A US engineering firm is building on the West Coast four giant ammonia plants based on Bombay High's natural gas.

Coal

Against the estimated coal demand of 116 million tonnes for the year, coal production is at present at the rate of 80 million tonnes and is not expected to exceed 96 million tonnes, involving a shortfall of 20 million tonnes. The demand estimate has already been scaled down from the original 119 million tonnes. During April-August CIL produced 36.50 million tonnes against the target of 40 million tonnes. The problem faced by the coal industry is multidimensional. About 25 km of tunnelling has to be done in 360 mines with 4 lakh miners who have to meet the demand of two hundred major consumers — steel mills, power plants, cement factories and zonal railways who consume 70 per cent of the coal produced and the remainder by 20,000 industrial consumers and domestic users. Coal has to travel on the average 600 km to reach its destination and hence the railways with its 10,000 wagons has a major role in the industry. The problems faced by the industry include reckless past exploitations (for 2 centuries) of the best mines, poor design and performance of the coal cutting machines supplied by MAMC, poor after - sales service, replacement of spares, shortage of cement, power, diesel, steel and explosives. Now the industry has to be helped to meet this year's demand which it can if given the inputs. There is no excuse for importing coal. India's capacity to produce coal is estimated at 400 million tonnes by the end of the century. The Union cabinet approved in September, 3 new coal projects at an estimated cost of Rs. 50.36 crores and which will provide an additional capacity of 2.49 million tonnes of coal. Also the project to check coal mine fires at a cost of Rs. 29 crores is to be completed in 24 months. CIL is also planning to market a special low volatile but high heat

content fuel out of natural coke called SLV which can be used by users of coal and hard and soft coke.

Railways and Textiles

Railways report that the goods traffic target for the current year will have to be reduced from 222 million tonnes to 204 million tonnes, in view of the shortfall of 11 million tonnes in goods traffic in April-July this year. The Eastern sector loading which accounted for 50 per cent of total Railways' freight loadings has been affected by acute power shortage as well as labour trouble. In September the Railways increased demurrage charges by 50 per cent to prevent use of wagons for speculative and hoarding purposes. On the textile front, in view of the government's decision to increase the availability of cloth for the masses at reasonable prices, the Indian Cotton Mills Federation has asked all its member mills to ensure production of the cheaper cloth varieties so that the private sector's obligation of 500 million metres of cloth is available for the Diwali season. The millsare to stamp the maximum retail price per metre inclusive of excise and yarn duties, handloom cess, local taxes and trade margin within the retail price cieling of Rs. 6.38 per metre. To monitor the production, the Federation is collecting information on all cloth packed for civil consumption.

Sugar, Cement and Tobacco

In September, as noted earlier, the government imposed price control on sugar at Rs. 290-300 per quintal in order to check the rise of Rs. 50-60 per quintal which had taken place. The licensing and stock limits for traders in sugar (see vol. IX, p.404) of 1,000 quintals per trader, except in West Bengal where it is 7,000 quintals, are to be enforced by the states. For October the Union government released 6 lakh tonnes of sugar for internal consumption. In response to the sugar price control, sugar arrivals in the market declined in September. Also as the government has not graded the sugar, mills are selling lower grades (C-30 and D-29) at the same rate of Rs. 268 per quintal, making a profit of Rs. 14-17 per bag. Also in view of the drought, sugar production in UP is expected to decline by 55-60 per cent. ISMA reports that sugar production during the second fortnight of August was about 9,000 tonnes compared to 15,000 tonnes during the same period in 1978. The total production in August was 18,000 tonnes (30,000 tonnes in August 1978) and for the eleven months in 1978-79 season, September 1978-August 1979, the total sugar output is 58,39,000 tonnes against 64,24,000 in the 11 months of 1977-78, with the total offtake for the 11 months of 1978-79 being 56,60,000 tonnes (40,24,000 tonnes in 1977-78) for internal consumption and 7,67,000 tonnes for exports (1,53,000 tonnes exports in 1977-78). The closing stock of sugar on August 31, 1979 was 27,01,000 tonnes compared to 38,22,000 tonnes on August 31, 1978. With regard to cement, the Industry Ministry reports that production during the first half of the year fell by 5,00,000 tonnes, so that the year's shortfall could be a large 1 million tonnes, despite the increased capacity of 5 lakh tonnes installed. The factors contributing to this decline in production are power cuts, inadequate coal supply (monthly supply of 3.7 lakh tonnes against the requirement of 4.6 lakh tonnes) and inadequate wagon movements. On the tobacco front, to ease the burden of the large stock of 20 million kg. of tobacco from the 1978-79 crop with traders and a further 12 million kg. with STC, the government is planning to regulate statutorily the acreage and introduce a new grading system, reduce the

export prices for some grades and abolish the excise duty on exports. On top of the existing stocks, the 1979-80 crop is now being harvested, which will swell the carry-forward stock to 40,000 tonnes.

Edible oil, Cotton and Jute

STC which has accumulated a large 3,00,000 tonnes of edible oil (against a normal stock of 40 000 tonnes) has since June restricted the processing of imported oils to refining units in the private sector not producing vanaspati whose restricted capacity led to refining only 25,000 tonnes in the period June-September and a sharp rise in prices of edible oil. On top another 3,00,000 tonnes of imported oil is arriving. There is need for a quick decision to allow the vanaspati units to refine the oil as one means of reducing STC stocks and prices. With regard to cotton, the government reports that cotton consumption for the cotton year September 1978 to August 1979 declined to 70.50 lakh bales resulting in a carry-over of 20.73 lakh bales. The reduced consumption by mills and the large carry-over can help to keep cotton prices down this year, as due to drought, cotton production is expected to be 72 lakh bales (against last year's 77.50 lakh bales). Jute production has also been affected by the drought, and unlike last year's large crop of over 70 lakh bales, this year the estimate is around 0 lakh bales. The sowing period in West Bengal has had to be extended because of the delay in rains and so the harvesting also will be in stages.

Fertilisers

Because ot shortage in coal supplies, inputs like naphtha and low stock heavy sulphur and power cuts, it is estimated that fertiliser production this year will be Rs. 80 crores less and to that extent the import bill will increase. This increase will have to cover the 30 per cent rise in international urea prices, and the 25 per cent rise in phosphatic fertiliser prices. On the basis of the first five months, April-August, a record 1,00,000 tonnes of nitrogenous fertilisers and 25,000 tonnes of phosphatic fertilisers have been lost, involving a loss of Rs. 30 crores. The government also reports that the country's first coal-based fertiliser project at Talcher and Ramagundam are now ready to go into regular production. Urea has been produced at both plant sites in trial runs and now the installed capacity of 4 95 lakh tonnes of urea and 2.28 lakh tonnes of nitrogen at a total cost of Rs. 200 crores should begin yielding results.

Agricultural production

The major event in agriculture was the failure of rains in August over all of North India (Jammu and Kashmir, Punjab, Haryana, UP, Bihar, West Bengal, Rajasthan, MP, and Orissa) and Andhra Pradesh in the South which has resulted in widespread drought conditions and loss of the kharif crop. The Delhi territory kharif crop losses are estimated at Rs. 3 crores, in Punjab 20 per cent of the kharif crop was lost, in UP the crop over 12 lakh hectares which is 65 per cent of the cultivated area was lost, in West Bengal 30 per cent of the area in Malda district was left fallow, all 12 districts in Orissa have been affected, in AP 15 out of 18 districts, in Rajasthan and MP widespread kharif losses are reported. In the second part of September, rains came and though it was too late to save the kharif crop which accounts for 65 per cent of the total foodgrain output, they can and will

help the rabi sowings. Plans for rabi centre around raising the per hectare yield of wheat from 2 to 2.5 tonnes on irrigated and 0.5 tonnes on unirrigated land so that a target of 40 million tonnes can be reached. This would be a 5 million tonnes increase over the last year's production. In areas where there have been no rains even in September farmers are being advised to switch from wheat to oil seeds and pulses. It also seems likely that fertiliser offtake will decline because of the drought. Also the National Seeds Corporation is readying itself to supply 4 4 lakh tonnes of wheat grains for use in planting in West Bengal, UP, MP, Orissa, Rajasthan and Maharashtra where farmers have been forced to eat their seeds stock. In addition it will make available to state governments and registered dealers 2.3 lakh quintals of wheat seeds as well as maize, sorghum, bajra, mustard seeds, etc There is no threat of famine despite the drought because the rice stocks held by FCI in the coastal states are adequate and the daily movement of grain by the railways of 3,000 tonnes means a mobile monthly supply of 1,00,000 tonnes. In September, FCI and Railways report movement of 32,000 tonnes in a single day of foodgrains from Punjab, Haryana and UP, which is a record. Rice stocks in Tamil Nadu and Andhra Pradesh exceed 1.8 million tonnes with very nominal offtake and Kerala with a monthly offtake of 40,000 tonnes has stocks exceeding 2,00,000 tonnes as at August 1. A scheme for constructing 2,000 storage godowns in rural areas at a cost of Rs. 2-3 crores is now being undertaken and will be completed next year. AP plans to replace the land revenue by a tax on agricultural produce coming to the market, as one way of ensuring that the rich farmers only are taxed as it is only they who have a marketable surplus. In September, the Union fixed the procurement price of paddy for 1979-80 marketing season, increasing it for the common varieties from Rs. 85 to Rs. 95 per quintal, the fine varieties at Rs. 99 and the superfine at Rs 103 per quintal. The states have been advised not to pay any bonus or premium in excess of the procurement prices except for an extra Rs. 5 for parboiled rice. While this increased procurement price will benefit the well-to-do farmer (who has a marketable surplus), it will certainly add to the subsidy and deficit finance elements and the inflationary pressures on the economy.

Exports

Exports have continued to expand during the 4 - month period April to July, at Rs. 1,976.15 crores which is a 20.94 per cent growth (compared to Rs. 1,634.06 crores in the first four months in 1978-79). Imports however increased faster by 21.60 cent at Rs. 2,327.12 crores. The trade deficit which stood at Rs. 262.43 crores in the first 3 months now stands at Rs. 351.06 crores at the end of four months. During July exports rose by 1.47 per cent from Rs. 385.86 crores in July 1978 to Rs. 391.54 crores. Imports went up from Rs. 490 crores to Rs. 511.13 crores which was a growth rate of 4.25 per cent. Among the good export performers are aluminium utensils with a growing demand from the gulf countries, ore with trade with Japan expanding by 32 per cent, project and consultancy exports again to the gulf countries, which have increased by 45 per cent last year, value added chrome, Rs. 60 crores of non-traditionals to the USSR, jute and hessian manufactures and leather exports. On the other hand textile exports are expected to decline to Rs. 120 crores compared to last year's Rs. 140 crores and 1977's Rs. 193.14 crores, chemical exports

declined by 20 per cent in the first quarter of 1979-80 due to declining foreign demand for Indian goods. groundnut extracts have fallen from 12.46 lakh tonnes and Rs. 138.10 crores in 1976 to 4.74 lakh tonnes and Rs. 61.27 crores in 1978 with some 3.25 lakh tonnes remaining unutilised at the end of 1978 because of the improper timing of the release of the export for the year, engineering exports fell by 7 per cent during the first quarter April-June 1979-80 to Rs. 140.10 crores from Rs. 150.70 crores in the first quarter of 1978-79 due to the steel shortage and delivery delays, carpet exports also declined by 60 per cent during the April-June quarter 1979-80 due to the high cost of raw materials and competition with Pakistan, the garment export which fixed quotas on the basis of past performance also declined, with Australia holding up crores worth of garments for laboratory testing for the quantum of viscose fibres in them, while France has imposed an embargo on the import of fashion garments as they hold ihe Indian quota to be over-subscribed. The government announced in September a reduction of import replenishment against exports of a number of items as part of the changes in import policy. Exporters of automobile tyres will be most affected as their rate of import replenishment has been halved, with a ban on the import of caprolactum. On the other hand in 1978-79 the value of import licences issued to small scale units increased by 71 per cent from Rs. 107.75 crores in 1977-78 to Rs. 184.58 crores. A really poor performance was the rejection as being unedible and containing harmful colouring matter, anti-septic and other alien substance in the 2,509 tonnes of hot pepper exported to South Korea which had to be burned at the request of the exporters who did not want to pay the return freight and who are now compensating the Korean imports. The foreign exchange position of the country was comfortable, increasing from Rs. 4,499.8 crores at the end of 1977-78 to Rs. 5,219.9 crores at the end of 1978-79, which increase of Rs. 720.1 crores was however, smaller than the Rs. 1,638.8 crores recorded in the previous years.

Aid

The International Fund for Agricultural Development announced in September a loan of $ 50 million to irrigate arid lands farmed by peasants who earn less than $ 300 a year. The loan is to be used by Maharashtra which is irrigating an area cultivated by 25,200 farm families and will help peasants with 5 hectares or less.

International

Bangladesh

The Joint Indo-Bangladesh Committee on the Ganga met in Delhi in December to decide on the type of data that should be obtained from Nepal for schemes to deal with the waters of the tributaries of the Ganga at the source. The Committee recommended the set of data needed from Nepal as a means of helping the Committee to prepare means of augmenting the flows in the Ganga.

China

Indo-China trade is yet to pick up. Only in tobacco is the trend of exports from India positive. The expected order for Indian iron ore has not materialised because Chinese find Indian ore prices high; sugar export to China is another item which is still under negotiation; Chinese interest in steel tubes and pipes has not led to trade because of the steel shortage in India. One reason for the slowness of the Indo-China trade expansion apart from the continuing political stalemate is that India's trade balance with China is

favourable; in 1977-78 Indian exports were Rs. 193 lakhs, imports Rs. 95 lakhs, in the first 6 months of 1978-79 the exports were Rs. 722 lakhs, while the imports fell to Rs 35 lakhs. On the other hand, China is emerging as a major competitor to India in textiles and light engineering items in US & EEC markets,

World monetary reform

In September, the Federal Republic of Germany in agreement with EPU, revalued its Mark by 2 per cent vis-a-vis the other currencies. Also during the month the price of gold crossed the $ 400 per ounce mark and by the end of the month was selling at $ 402 per ounce. The IMF gold sale on September 4 fetched a record average price of $ 333.24 an ounce, resulting in a net proceeds of $ 128 million from the sale of 4,44,000 ounces, swelling the special Fund to $ 2 97 billion.

Third Development Decade

The UN preparatory committee for the Third Development Decade could not work out a draft strategy for the Decade in time for the General Assembly opening in September. It agreed on: a) calling the 1980s as the Third Development Decade, b) the principles on which the new strategy should be based, and c) the request to the Assembly that it hold 3 sessions in 1980 to negotiate the strategy and send its recommendations to a special session of the General Assembly which will meet also to review the global economic situation in relation to the goals set in 1975 for the NIEO. The agreed principles which form the preamble to the strategy refers to the Decade furthering the fundamental objectives of the UN charter and the NIEO, to only a few of the targets being achieved so far mainly through the efforts of the developing countries and the poverty plight of the countries and with a view to restructuring the existing economic order urges the developed countries to change their pattern of consumption, giving developing countries adequate access to resources.

World economy

The preparatory documents by IMF and IBRD for their annual meeting this month surveys the state of the world economy. The IMF report refers to the steep rise in oil prices during 1979 as depressing economic growth and forecasts a recession in the US. The poor non-oil producing countries will not be able to attain the desirable growth rates because they will not be able to finance the necessary imports for those rates. For the industrialised countries, the 4 per cent growth rates of 1977 and 1978 will decine to 3 per cent in 1979, with the real GNP in the US rising only marginally in the first quarter signalling a recession ahead. The current account surplus of the major oil-producing countries will go up to $ 43 million in 1979, adding $ 75 billion to the aggregate import bill of the oil importing countries, $ 70 billion for developed countries and $ 5 billion for developing ones. To meet the global inflationary situation the report suggests the conservation of energy and development of additional sources of supply through realistic pricing policies. For the industrial countries, the policy would include skilful use of monetary and fiscal instruments, application of suitable income policies and adaptation to lower availability and higher price of energy. The non-oil developing countries should adopt better domestic policies to deal with the difficult situation facing them, with industrial countries increasing their ODA to them. It points out that the great degree

of exchange rate flexibility contributed to international adjustments, but there is need for a system in which interest rate fluctuations are reduced and the changes that occur be more consistent in relation to the long term underlying trends. There is general recognition that inflation leads to instability and unemployment. The report also notes the very rapid growth of credit by the international capital market and the contribution made by the banks to the smooth functioning of world trade and payments system through the recycling of funds deposited by the oil countries. In the first half of 1979, wholesale prices in the industrial countries rose by 11-13 per cent *per annum* following the 5 per cent increase in 1978. The Asian countries through a policy of financial restraint have controlled inflation, but non-oil developing countries have allowed inflation at 30 per cent per annum between 1974-1977. The World Bank's annual report refers to the fact that oil importing developing countries may have an oil deficit of 4.35 million barrels a day by 1985 and the annual cost of covering this deficit may total $ 38,300 million—up from $ 14,300 in 1975. 23 developing countries have prospects of finding large quantities of petroleum and 15 others fair amounts. Hence the Bank is recruiting energy specialists and has sent 50 bank energy missions to 20 countries to assist countries in national energy planning, data collection and evaluation, exploration of promising geological structures, technical and managerial training and help in contract negotiations with foreign oil companies. It estimates that in 1979-80 the Bank will finance 8 oil development projects. It points out that coal production in developing countries during 1977 amounted only to 178 million tonnes or 6 per cent of world coal production and 83 per cent of this 178 million tonnes was produced by India, Yugoslavia, Turkey and Vietnam. In order to ensure long term coal availability, the World Bank is financing exploration, pre-investment, implementation of coal mining projects and associated infrastructures for domestic coal consumption and export. The Bank report refers to favourable economic trends in Asia though its primary problem is poverty—250 million out of 350 million Asian poor live in India. The key priority for this area is restraining growth, developing rural areas through increased agricultural production and creation of rural non-farm employment.

World trade

The reports of the IMF and the World Bank affiliate, the International Finance Corporation, warn that developing countries face unacceptably low export growth rates, due to delayed recovery and energy adjustment process in industrialised countries. The volume of world trade increased by 5 per cent in 1978 (the same as in 1977), and while the total exports of non-oil developing countries could rise somewhat faster in real terms in 1979, this movement was unlikely to match a rise in import unit values resulting from a combination of oil price and manufacturing price increase. The IFC report foresees modest improvements in the trade climate and official capital flows in the next few years and presses the countries to look to their own development strategies to assure their future growth in trade. GATT does not share the IMF, World Bank and OECD view that recent oil price increases caused inflation, unemployment and smaller trade growth. (OECD forecasts double digit inflation and 2 per cent growth.) GATT says this is not so as the effect of oil price rises can be both small and

temporary unless the governments want it otherwise.

UNCTAD

In September the 100 member Interim Committee of UNCTAD set up to draft articles of agreement for a common fund under the integrated programme for commodities adjourned after 2 weeks to meet on October 22. There was general agreement on the draft articles drawn up by the secretariat which will have to be approved by the conference meeting from December 17 to 21. As usual there was the divergence between the industrial countries (group B countries) led by US and UK and the developing countries, with the former trying to get the fund to act individually on commodities. while the developing countries have fought their way through to the concept of a common fund which can go to the market and raise funds on the basis of collective operation.

Havana Summit

The most important economic decision of the Non-aligned Summit attended by over 50 heads of states and an equal number of heads of governments, while reaffirming NIEO, the need to control MNCs, the need for a new international monetary system and increased transfer of resources to the developing countries, agreed that the oil producing countries will help the non-oil producing developing countries on a government - to - government basis with priority to the needs of those countries either through differential pricing or through refunding, in the form of aid, part of the price. This is important because it is the first time that the Third World countries agreed among themselves that the oil price rise is for the non-oil producers among them a development problem. The principle accepted by the Summit is to be worked in terms of organisation and resources in later detailed negotiations between oil producers and non-oil producers for which a committee was set up.

World Food Council

The fifth annual conference of the World Food Council of the UN meeting in September in Ottawa dealt with the problem of world hunger—1000 million people are hungry and 450 million seriously undernourished. If the present trend of developing countries relying on food import countries by 1990 they will have to import 145 million tonnes of foodgrains. The council dealt with the immediate food crisis facing the developing countries. Against the 1979 world foodgrains production of 1,505 billion tonnes, it asked the major grain exporting countries to reserve a minimum of 7.5. million tonnes for aid to poor countries in times of world food shortage; Canada, Australia and US agreed to make their contribution to the food reserve.

World Administrative Radio Conference

The World Administrative Radio Conference called by ITU began a 10-week important meeting in Geneva at the end of September which will review and renegotiate the entire spectrum of radio frequencies. The results of the conference will determine the direction and development of global communications and international news till the end of the century. For the first time since satellites and computers began revolutionising the airwaves, the 154 participating countries will review everything from short wave and commercial radio to TV and defence communication and satellite information gathering. The conference is held once in 20 years and so now for the first time the Third

World is fully represented and are pushing for a larger share of global radio frequencies. The fight will be around the short wave frequencies which US and UK want to devote to broadcasting but developing countries want for use of their internal telephone and telegraph traffic. The issues are well pointed, and to start with, the opening of the conference had to be post poned by 3 days because of the deadlock over the chairmanship.

UNCST

The Second United Nations Conference on Science and Technology meeting in August in Vienna was an important event in that it gave the 144 countries an opportunity to review the state of science and technology in our world and draw the appropriate policy conclusions. But the only agreement reached was the decision to set up a $ 250 million voluntarily contributed fund for 1980 and 1981 to be administered by UNDP for developing science and technology in the poor countries. (This is a far lower sum than what one MNC spends on R & D.) The other important agreement reached after 2 weeks of negotiations between the industrial and Third World countries was the recommendation to the General Assembly to create a high level inter-governmental committee on science and technology for development open to all states. It also adopted a programme of action of 65 recommendations comprising group A which is aimed at strengthening science and technology capacities of developing countries, group B which concerns restructuring of existing patterns of international scientific and technological relations, and group C which involves strengthening the role of the UN agencies in S & T. No agreement was reached on the role of MNCs in S & T, supplementary financing for strengthening national science and technology capacities and increased support to developing countries for production and marketing of capital goods. In a sense this conference marked the same trend of deadlock between the rich and poor countries which UNCTAD at Manila, the Law of Sea Conference and the Radio Conference manifest.

Population

A meeting of parliamentary members from 64 countries called by UNFPA and the Inter — Parliamentary Union in September in Colombo called for a 1$ billion population assistance by 1984—up from the present $ 460 million per annum. The main achievement of the conference was to make members of the parliament aware of the population problem, which should result in improved family planning and population control programmes. Follow-up conferences are to be held on a regional basis in different areas.

World jute agreement

After 3 years of negotiations, four of the five jute producing countries—India, Bangladesh, Thailand and Nepal (with Burma absent) met in Bangkok in September and agreed on draft international jute agreement. It aims at sustaining the market for jute and securing a reasonable price for jute goods. It is to be presented in November to a meeting of jute consuming countries at Geneva including US, USSR and EEC for their agreement, after which it will become operational.

Coconut Community

The Asian and Pacific Coconut Community meeting at its 17th session at Colombo in September urged coconut growing countries to organise coconut growers' associations to involve growers in the planning and execution of coconut development programmes. Emphasis was also placed on strengthening coconut research on a regional basis and improving the quality of life of small coconut growers.

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II Agricultural Development

Paddy and other crops

September marked the beginning of Kuruvai harvest and its marketing which end around mid-December. Samba sowing and transplantations of seedlings also started in the month. The government announced a procurement price of Rs. 105 per quintal for coarse and medium varieties of Kuruvai paddy (which is an increase of Rs. 20 over the Union government announced price referred to earlier) and Rs. 109 per quintal for fine varieties. At this rate the price for common varieties is Rs. 59.85 for 57 kg. and Rs. 62.13 for fine varieties. Because of poor arrivals in the market the prices in early September were Rs. 68 for common varieties and Rs. 70-72 for fine varieties. The government has opened 300 purchase centres in Thanjavur district which would accept extra paddy in place of the moisture cut at the request of the farmers at the rate of 3 extra kg. for 18-20 per cent moisture and 5 extra kg. for moisture content between 20-22 per cent. 43 varieties of paddy including ADT 9, Analkamban, CO 36 and IR come under fine varieties and 66 strains under common varieties including ADT 31 and 27. 4.11 lakh acres in Thanjavur district are under kuruvai paddy. The kuruvai paddy crop is doing well and the year's target of 65 lakh tonnes will be achieved. Tamil Nadu has emerged as a major rice exporting state this year selling 80,000 tonnes of rice overseas. Contracts for 40,000 tonnes have been negotiated and are under execution, mainly to West European countries and to some gulf countries. The delayed rains in July may result in a marginal fall in the groundnut crop. The first and larger crop is sown between mid-June to mid August and harvested in October/November. This rainfed crop usually covers 8.80 lakh hectares, but this year will be 1 lakh hectares less. A Rs. 15 crores oil seeds growers' federation is being sponsored by the National Dairy Development Board through which groundnut farmers will receive loans and repay in groundnuts.

Sugarcane, Pulses and Cotton

A two-day training programme for pest survey in sugarcane for the cooperative and public sector sugarcane factories was held in August in Madras. 38 cane officers from 10 sugar factories attended and obtained useful information on pest damage, symptomology and integrated control measures against sugarcane pests. A Rs. 56 lakh pulses research station in Vemban in Pudukottai district is being set up by ICAR to function from October to promote high yielding varieties of pulses and pulses cultivation in the state. Because of the purchases by the Cotton Corporation of India of 85 000 bales of cotton in 1978-79 and for this year an estimated 1,00,000 bales, the cotton economy of the state has developed well. The prolonged textile strike (see vol. IX p. 414) thus did not depress cotton prices in the state as in the past, when private commission mandis forced cotton farmers to sell at low prices. The 9-month cotton season in the state uses Ambodia, NCU 5 and 7, Laxmi, Varalaxmi and Suvin. Tamil Nadu incidentally is the only state growing cotton suitable for yarn from 20 counts to 120 counts. CCI operates in all 9 cotton districts. It faces one problem: in the absence of processing units, ginning and pressing facilities in each cotton area and lack of seed crushing plant as a result of which it has to transport kapas 100 to 200 miles away for processing. If this gap were filled, CCI could procure even more cotton in the state.

Research results

A low cost system of mechanical drying of paddy has been developed by the Regional Rice Processing Centre of Annamalai University. It takes about 2 hours to dry parboiled paddy at a cost of Rs. 6 per tonne. The system costs Rs. 30,000. Biological control of rice hoppers and leaf hoppers is possible as demonstrated in Hunan in China through the use of spiders of which there are over 100 species which grow at the same time as the pests. This can be extended to this state. Research at CRRI, Cuttack showed that the incorporation of a legume in the rice-based crop rotation leads to remarkable improvement in soil quality as well as enriches the soil by fixing atmospheric nitrogen. Application of organic manures contributes to building organic carbon and amelioration of the physical soil structure, a result of importance to the heavy and continuous paddy lands of the Thanjavur district. To grow high quality vegetables in poor soil conditions, a British firm has developed a system for growing them in a liquid medium without soil under any climatic conditions. They are grown by conventional methods in peat or soil and at the planting stage placed in polythene channels where they grow to maturity. This also makes possible quick turn around time between crops and could be used in our arid areas. Maesta research in neighbouring AP has developed high yielding varieties with wide adaptability and hardiness. A package of practices for each soil climatic zone has been developed and stabilised. It has resulted in setting a jute factory and a twine factory and is used as raw material for paper. The maesta seed has also been demonstrated as a valuable source for oil (20 per cent) which can be used in soap making, or after refining, as edible oil, and the oil cake used as cattle feed. Maesta grows along with a number of crops like bajra, potatoes and tapioca. Research in Kerala has shown that rubber can be grown under coconut; rubber trees (11,777 of them) were given spacing of 8 feet with 30 feet distance between the rows and the growth and performance of both rubber and coconut was seen to be normal. As a result of research in Mysore, sericulture which has been so far limited to Kollegal in Karnataka can now be extended to any part of the state with the new breeds and technology which have been developed. The only problem for wide extension of silk worm rearing in the state is the inadequacy of seeds which should be met if the proposal for a National Seed Corporation for this purpose is accepted and comes into existence. Research in Andhra has produced a brinjal variety SM-17-4 which is high fruit bearing (200 kg. per plant), yields in 50-110 days and is pest-resistant. It is also drought resistant. Tamil Nadu Agricultural University research has shown that some minerals like iron, copper, manganese and zinc are important to improve animal breeds. The experiments show that lowering of iron content in blood and plasma and zinc content in blood increases the number of inseminations for conception. CLRI in Madras points to the importance of goat breeding for meat, milk and skin With legal restriction on cow slaughter, research on the breeding of goats takes on importance. Karnataka research has developed an indigenous hybrid hen HH-260 which lays 250 to 260 eggs a year, requiring only 110 gms of feed per day, with low mortality and high disease resistance.

Dairy farming

The second phase of Operation Flood II is being launched on October 2, aiming at increasing milk production to 18.3

million litres a day. This second phase involves an investment of Rs. 500 crores and is supported by UN World Food Programme, EEC and IDA of the World Bank.

Fish farming

The state government issued directions in September that mechanised fishing boats should not be allowed to concentrate in any one coastal area, should fish between 6 am and 6 pm and should be berthed near villages of the owners or the government fishing harbour. As this is the prawn fishing season, this directive will prevent the continuous friction between fishermen using mechanised boats and those using country crafts. Also use of trawl nets by mechanised boats are forbidden to prevent damage to young prawns and fish. The government also decided in September to give a subsidy of 25 per cent for the gear supplied to fishermen to diversified fishing. To conserve the marine resources. fin fishing instead of shrimp fishing is being encouraged along with mid-water trawling, trap fishing, gill netting and purse sewing. To improve the size and operational range of traditional country crafts. the State Planning Commission has proposed introducing 2,000 small fibre glass boats with a 50 per cent subsidy with onboard engines and 3,500 catamarans without board engines.

Tea

Tea production in both the North and South as reported in the last issue will be lower than that in 1978, though the tea garden in Assam, Darjeeling and the East report improved and seasonable weather conditions. Between April and July, 58 million kg. were exported compared to 38 million kg. in April-July 1978. On this basis it is likely that exports in 1979-80 will be higher than that in 1978-79 at over 220 million kg. The opening of new markets by the Tea Board's persistent promotional efforts in Tunisia, Morocco, South Yemen in addition to the traditional markets UK, US, West Germany, Poland and USSR is important for the future. Further it has introduced new varieties such as spiced tea, green tea (which made its breakthrough in Morocco for the first time) and instant tea means that value added items are picking up. Tea prices, however, have remained stagnant despite a lower world tea crop and the frost affected Brazilian coffee crop. Indian tea was selling at lower prices than that from other countries due to uncertainties of timely delivery in turn traceable to lack of adequate shipping space and irregular and erratic sailings of vessels. The industry has proposed therefore a change in the overseas sales system to improve unit value realisation involving selling tea on the high seas or selling the consignments which arrive in the UK directly to buyers without going to the London markets. Also bulk tea exports in the future are to be transported in corrugated paper boards lined with cellophane and metallised polyster which will preserve the brittleness and aroma of fresh tea and fetch higher prices.

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III Industrial Development

Neyveli

Neyveli operations were affected by the two—day IOC strike in September. Its requirement of fuel oil could not be met and there was the possibility of disruption of its activity. With the ending of the strike, the shortfall was quickly made up using both rail and road transport to move 25,000 tonnes of fuel oil per month from IOC depots at Madras.

Madras Refineries

To meet the increased demand for fuel oil between September to November, Madras Refineries reduced its production of bitumen from 20,000 tonnes to 16,000 tonnes a month and increased its output of furnace oil from 40,000 tonnes to 46,500 tonnes a month. By increasing the despatches of filled cylinders from 35 trucks to 50 trucks a day, it also cleared the backlog of 27,000 LPG cylinders for the region. In its annual report, it states that in 1978-79 it reached a crude throughput of 2.759 million tonnes which was 112 per cent capacity use. It conserved energy, reducing fuel loss from 9 69 per cent in 1977-78 to 9.37 per cent during the year. The projects for installation of preheater for the boiler and crude unit furnaces, and the boiler feed water exchanger are under execution. In 1978-79 its sales turnover was Rs 265 crores and gross profit before depreciation and interest Rs. 10.62 crores. The company has a Rs. 55 crore plan for doubling its refining capacity which is under study by the Government of India, replacing the earlier expansion plan from its present 2 8 million tonnes to 3.5 million tonnes which will now be 5.6 million tonnes. The entire cost of the expansion, which has been approved by its technical committee, board of directors and shareholders, will be met from its own resources, including the one-third foreign exchange expenditure. The Rs. 450 lakh paraffin wax project which has been approved to manufacture 20,000 tonnes of high grade paraffin wax from the slack waxes available from its tube oil complex (see vol. VIII, p. 23) is now ready to be executed, the process design work having been completed.

Salem Survey

A techno-economic survey of Salem district by Small Industries Service Institute refers to its population of 35.5 lakhs, with 49 per cent of its land under cultivation (against the state average of 46 per cent). With no prospect therefore for the extension of cultivation, employment generation and improved economic growth depend on the growth of the secondary and tertiary sectors. Industrial growth prerequisites obtain in the district. 70 per cent of the 50,922 unemployed in the live register are educated and many are technically qualified, ready for absorption in small industry. Its tranport links are good, the Madras-Mangalore broad gauge line runs through the district, connects Salem with industrial Mettur, the important link route Jolarpet-Erode adds to its links, the Salem-Bangalore metre gauge is another important linkage as are the 3 national highways connecting Salem to Bangalore, Calicut and Kanyakumari as well as the roads connecting all taluk headquartere, towns and villages with Salem. TIIC with its branch office in Salem, the Salem Central Cooperative Bank and Commercial banks provide the district with sound infrastructure Power is a constraint as it is in other districts and the country, but 80 per cent of the

district's power is consumed by industry (compared to 48 per cent for the state as a whole). Salem is rich in minerals including bauxite (found only in this district), magnesite, chromite, limestone, quartz, felspar and dolomite. Against this infrastructural background, the survey identifies a number of industries that could be developed in the district, which are sericulture and twisting factories, units for manufacturing agricultural and mining implements like pick axe, shovel, spade, crow bars, ploughs, drills for which a demand of Rs. 10 lakhs per annum exists, units to make straw boards for which there is an unmet demand of 4,000 tonnes, tanneries at Tiruchengode and Mullikurichy to tan the 1.8—2.8 lakh hides and skins available in the district, units to produce paints and varnishes, dyes, mining shoes, bitumen and polythene laminated jute bags, cooking ranges and ovens and wooden electrical appliances.

Public Sector Corporations Committee

The Committee on the public sector companies (see vol. VI, p. 590 & VIII, p. 288) in the state headed by R. Venkatraman submitted its report. It recommends that: a) TIIC should have a disinvestment policy, that is, it should unload its 9 per cent shares in the company it has assisted, earn profits when the company makes profits and in this way promote reinvestment. TIIC should also ensure a rounded monitoring and control system to counter sickness in units and to avoid overlap with SIDCO, should shed the area of term loan assistance to units whose requirement is limited to Rs. 2 lakhs; b) SIDCO in turn should prune its activities and concentrate on promotional, financial, entrepreneurial and technical development; c) an organisation that can reach unexploited rural and semiurban areas, motivate its people, give them project ideas, escort the projects through governmental agencies, banks, markets etc; d) all production activity of the public sector like cement, steel, sugar, etc. should be brought under the Industrial Development Corporation, under which a fully owned subsidiary should handle each produce; e) promotion of industries should be transferred to SIPCOT; f) all future expansion of the public sector sugar industry should be in the co-operatives; g) to improve the scale and viability the Tamil Nadu zari should be amalgamated with Handloom Finance and Trading Corporation; h) leather industry should be expanded and switch from semi-finished leather to finished leather, leather goods and products with the aid of modern technology; i) in view of the power constraint, the electronics industry, of which the state share in all-India is 1 per cent should be rapidly expanded to cover a wide range of components, instruments, medical instruments, semi-conductors etc; and j) expansion of the chemical industry to produce dyes and dye intermediates and other chemicals for the expanding leather industry.

TIIC

In its annual report, TIIC states that in 1978-79 it received 842 applications for Rs. 12.90 crores compared to the previous year's 450 applications for Rs. 13.62 crores. 825 applications were approved and loans of Rs. 12.06 crores made. The actual disbursal for the year was Rs. 9.05 crores (against Rs. 8.07 crores the previous year). As a result, employment of 13,670 persons was generated mostly in rural and backward areas. 782 out of 825 approved applications were in the small scale sector. These include financial aid to 267 tiny

entrepreneurs (totalling Rs. 36.24 lakhs), with 218 being given soft loans at 1 per cent interest. Other projects assisted are sericulture and units for reeling and twisting, auto rickshaws etc. It has started a soft loan/seed capital scheme, a mini loan scheme, (Rs. 5,000 - Rs. 25,000), fishing trawler and mechanised boat scheme, auto truck/trailer scheme, rural medical practitioner scheme, nursing home/clinics scheme and special schemes for scheduled castes and tribes. Recovery of dues for the year amounted to a good Rs. 10.15 crores but the overdue position has increased in absolute and percentage terms from Rs. 8.18 crores (15.2 per cent) to Rs. 9.22 crores (16.1 per cent). This wide-ranging programme of TIIC should be reviewed in the light of the Venkatraman Committee recommendations. Should this be an industrial investment unit or one aiming at attaining our multifarious social objectives?

Small industry and Foundries

Small industries in the state are caught in the banks' credit squeeze. Most of the states' 45,000 small units have not been paid for the goods delivered to the large public and private sector companies, and the total of money due to them is a large Rs. 300 crores. RBI should arrange for these dues to be paid by the large companies before allowing any further accommodation as otherwise the small units will have to close down. As reported in the last issue, the 410 foundry units in Coimbatore continued to suffer for want of pig iron and coke in September. 100 units have closed down and another 100 are at the margin. Coke is available in the black market at Rs. 2,000 per tonne against the official price of Rs. 690 per tonne, pig iron at Rs. 2,500 per tonne against the listed price of Rs. 600. One way out is to lift the restrictions and allow the units to procure supplies from centres outside the state and move supplies by road from the north. The small fireworks units in Sivakasi have received their first export order to Japan for Rs. 3 lakh sparklers. They meet the Japanese specifications for safety and will be despatched in labelled consumer packs. US has also ordered Rs. 2.5 lakhs Sivakasi sparklers. The export market for this small unit is opening up.

Handloom

The state's 5.6 lakh handlooms continued to be in difficulties over the soaring yarn prices following the 54 days textile strike as reported in the last issue (p. 469). The lost output was 2.2 lakh bales of yarn (15.08 lakh bales of cloth); yarn prices have shot up by 75 per cent. The state government tried to get the mills to supply yarn at May prices, but the mills, pointing to the rise in wages and electricity rates, have refused and have reluctantly agreed to supply 3,010 bales per month till October at August Prices less 5 per cent. Also the Union government is planning to import yarn up to 40 counts and is taking action to restrain the wholesale trade in cotton yarn and polyster fibre to improve their availability and reduce their prices. From September 14, Cooptex selling units are allowing a rebate of 10 per cent on sales of cotton handloom and 20 per cent on silk. For the festival season 10 lakh metres of Janata saris and dhotis were on sale and a target of Rs. 18 crores of sales has been set. Cooptex is opening 300 selling units throughout the country and new design centres at Tiruchi and Tirunelveli.

Leather

Leather exports during April-July were Rs. 152.37 crores which was an increase

of 39 per cent over the first four months of last year's Rs. 109.57 crores, which means for the year leather exports may earn a record Rs. 450 crores. Finished leather is the top foreign exchange earner at Rs. 95.18 crores during the first four months (an increase of 60 per cent) followed by East India tanned hides at Rs. 20.72 crores (which is a doubling) and footwear components (up from Rs. 8.75 crores to Rs. 9.93 crores). There were marginal declines in the exports of EI tanned skins and wet blue chrome. The target for the end of the Sixth Plan of Rs 550 crores seems not unattainable. SISI reports that it has developed an indigenous design for a leather splitting machine to save on imports. A small Coimbatore unit has produced the prototype and commercial production is to start shortly. Also on the basis of the SISI's techno-economic survey, the government is helping the setting up of a functional leather estate in Erode.

Private Sector Reports

The Annual Report of Seshasayee Paper and Boards for 1978-79 refers to the expanded capacity during the year which helped it to produce 47,841 tonnes of paper against the installed capacity of 55,000 tonnes. Its gross profit is Rs. 396 lakhs. It has asked government permission to import a process control system so that it may introduce an on-line process control system in the company.

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IV Education, Science and Health

Unrest in educational institutions

In September unrest in educational institutions were reported from 7 centres. 4 were in Tamil Nadu around student demands in Presidency College, Madras and Government College of Engineering, Salem around teachers demands at SIVET College, Gowrivakkam and for the first time among higher secondary school students in Coimbatore who were demonstrating against the government's decision to fix an income ceiling of Rs. 9,000 per annum. The other three were in Hyderabad again around student demands, Bhandarkar College, Coondapur and the Jammu Vidyarthi Parishad.

Educational reform

With a view to universalising primary education, NCERT is trying out a Comprehensive Access to Primary Education (CAPE) scheme under which every child of 6 to 14 will be on a full time or part time basis of study, with curricula organised in consonance with the social needs of the community and child, including purposive, meaningful manual work resulting in goods or services useful to the community, self-contained learning materials called learning episodes are developed by 1,000 teacher training institutes which is based on the production-cum-training technology, using question banks developed by the central or state boards or SCERTs. CAPE project was launched in this state at the end of September with 10 learning centres attached to each of the 75 training institutes as one important means of providing education to dropouts. At the Museum complex in Egmore—a Rs. 40 lakh childrens' museum project—is to be started

in early 1980 as part of the celebration of the International Year of the Child. The museum will start with nine galleries—of dolls, Indian events, civilization's water marks, Indian temples, industrial revolution and minerals and stamps. There will be a 'do-it-yourself' type physical science gallery with working models to guide the child. The natural history gallery will have a thematic display of zoology, botany and geology. There will be the toy and story galleries for the child to play and listen and the next section will highlight various aspects of health and hygiene. There will also be a library of children's books. Madras University announced in September the finalisation of its restructured undergraduate courses to operate from the next academic year 1980-81, when the first + 2 completers will enter the University. There will be six parts in the undergraduate courses: Part I Tamil or other languages; Part II English involving study of foundation courses; Part III two core courses at the advanced level; Part IV either one core course of 4 semesters or two core courses of two semesters each at the ordinary level; Part V supporting courses covering 62 subjects for B.A. and 60 for B.Sc., including cultural changes, agricultural economics, community psychology, journalism for B.A. and operational research, mathematical economics, data processing, industrial chemistry and applied entomology for B.Sc., and part VI community and social service which requires a satisfactory certificate. The English syllabus is designed so as to cover foundation courses such as biography of scientists and national leaders, history of civilization and culture, etc. Complete autonomy has been given to colleges in conducting examinations for all papers in the first semester for parts I, II, IV, V and VI. All practical examinations are to be conducted at the college level with no marks but only an indication of pass or fail. University examinations will carry separately marks by external evaluation and continuous internal assessment. There is a total of 29 papers in the 6 semesters of which 4 are conducted by each college. Now the balance of this year should be used to train and orient teachers and produce the text and reference materials.

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Technical Education

The Maharashtra government has decided to start a 3 year diploma course in medicine at 5 centres in the state. The course starts from October 15 and the admission qualification is completion of VII standard in rural schools and the higher secondary examination or its equivalent. The Tamil Nadu Agricultural University has started a new Department of Animal Investigation and Control at the Veterinary College, Madras. It has also opened in the college a Department of Clinics, which is a composite unit of clinical disciplines including surgery, medicine and obstetrics along with an ambulatory service.

Health

The Corporation of Madras launched an anti-mosquito campaign in the city using a sprayer for fumigation called thermo-fogging which launches fine atomised particles of insecticides, malathion, to float in the air and permeate the nook and corner of buildings and kill the mosquitoes. The Indian Council of Social Welfare at its 19th National conference recommended formulation and implementation of rural based and rural biased child welfare programmes in the country in place of the present urban biased ones. It also recommended inducement of voluntary organisations in this mass rural programme and a coordinating mechanism to link the work of the voluntary bodies with the department of social welfare.

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V Employment

The Planning Commission reports that in 1978-79 employment grew at 3.4 per cent in the organised sector and 3.15 per cent in the economy as a whole against the rate of growth of labour force at 2 per cent. This is good but is lower than the growths of 4.7 per cent per annum targetted for the Sixth Plan. One negative element reported is that the rate of absorption of women has been slow as seen in the increase of 18 per cent of women in the live registers, which is double that of the increase in 1976. 1.67 million women were on the register in 1978, forming 13 per cent of the total registrants, and a high 65 per cent of them are educated. It forecasts that employment in standard person years (273 working days) will go up from 172.17 million in 1978-79 to 178.23 million in 1979-80. The maximum increase will be in trade and services where the employment will increase from 35.71 million to 37.50 million. The manufacturing sector will have 25.92 million in 1979-80 compared to 24.39 million in 1978-79. The maximum employment will continue to be in agriculture and allied activities which will go up from 100.69 million to 102.72 million. Employment in the construction sector will fall from 4.32 million in 1978-79 to 3.51 million in 1979-80. As against the annual average net addition to the labour force of 6 million during the VI Plan, the projections are for an increase in employment of 5.10 million in 1978-79 and 6.06 million in 1979-80. In order to develop a firm basis for the employment situation and deal with the inadequacy for monitoring the employment potential of the country, the Union government plans to review the pattern of annual surveys of employment opportunities through NSS and block level surveys using a sample of blocks. To monitor the progress in employment generation, the Union and state government were asked to provide data on employment generated in the previous year and that expected in the current year. But the data was incomplete because the governments are not used to this discipline and state that they cannot compute the employment generated till the year is ended and that the employment to be created depends on the actual level of the scheme which is much below the leve proposed. For the moment the commission relies on labour-output ratios to estimate the employment generated and these ratios are being constantly reviewed and improved. The results of the 32nd round of NSS (1977-78) now available show that the unemployment on the weekly status basis in the age group 15-59 is 10 million, the number of person years of daily status unemployment in the same age group is 9.4 million. Thus while the weekly unemployment rate seems to have increased from 4.7 per cent in 1972-73 (27th round) to 4.8 per cent in 1977, the daily unemployment rate has declined from 9 per cent to 8 5 per cent. Drought relief works are being incorporated in the Food For Work Programme over and above 1.5 million tonnes plus 0.22 million tonnes carry-over from 1978-79 allocated for the latter, of which 0.78 million tonnes had been released as of September 1. The Planning Commission is undertaking a crash evaluation study of the working of the Antyodaya programme during October/November. PEO will make the study in Bihar, Gujarat, HP, Manipur, Orissa, Rajasthan and UP to examine the selection of Antyodaya families, the types of benefits envisaged and actually provided, its impact on the economic status of the beneficiary steps taken for efficient

execution and follow up in extension, management, production and marketing and attitude and reaction of the villagers to the programme. The study will be at the district and village level in selected blocks of selected districts. Maharashtra has allotted Rs. 150 crores for its Employment Guarantee Scheme fot this year and 1980-81 to give daily employment to 4-5 lakh rural unemployed. Since the scheme started in 1973-74, Rs. 210 crores have been spent and 3.91 lakh unemployed were benefited in 1978-79 when Rs. 60 crores were spent and the unemployed men and women were paid Rs. 4 per day for their work. Under the scheme, emphasis has been on minor irrigation, percolation works, soil conservation, nullah bunding, land levelling, afforestation and road work. The scheme has drawn wide support in the rural areas and is successful. It is still the only one of its kind. The Tamil Nadu Government has increased minimum wages for agricultural workers from September 15, on the basis of the Draviyam Committee report. An employee employed in ploughing with bulllocks and ploughs bought by him Rs. 15, an employee without theseRs. 7, if engaged in paddy harvest - Rs. 7, if engaged in non - paddy harvest, Rs. 5. The number of hours prescribed for ploughing is 5 and for otherwork, 7. Men and women are paid the same wages. Industrial relations in genera lcontinued to be disturbed. Apart from strikes in individual units, the 1 day token strike in public sector units was widely observed and brought transport and production to a standstill. The IOC 2-day strike caused even further damageas noted earlier.

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VI Other Items

Director's Section

Three special seminars were held in the Institute in October. On the 9th, Dr V. K. R. V. Rao conducted a seminar on "Village Studies". Dr. Rao and his associates in the Institute for Social and Economic Change in Bangalore are now engaged in a comprehensive study of Tumkur District in Karnataka. Through this study they are attempting a programme of integrated village development. In the seminar Dr. Rao indicated that the solution to a number of the major problems of our country, particularly those of mass poverty and unemployment calls for substantial changes in the ownership and structural patterns of the economy. However it is very difficult to see at this stage how these changes could be brought about. Hence it is necessary to do whatever possible within the existing framework to seek solutions to these problems. Restructuring the economy of villages constitutes a major part of any kind of forward movement of the economy. But the bulk of the individual villages in the country are too small to become viable units for self-contained economic development. It is in this context that Dr. Rao and his associates are experimenting with the idea of bringing

together a cluster of villages. Detailed analysis of the physical, economic and social aspects of villages is needed to determine what will constitute viable clusters. Dr. Rao's presentation was followed by a lively discussion in which members of the Institute shared their own approaches to the study of village economies. Dr. Rao's seminar made an important contribution to the thinking in the Institute about the study of villages which occupies a prominent place in the future programme of the activities of the Institute, as was indicated in this section last month.

The second seminar was held on the 15th and related to the research programme by two Swedish scholars Dr. Goran Djurfeldt and Staffan Lindberg and their two associates Dr. Venkatesh B. Athreya and Mr. Gustav Boklin. The research programme on "Production Relations in Agriculture in the Tiruchirapalli District" is sponsored by the Swedish Agency for Research Cooperation with Developing Countries. The researchers have been granted affiliation to the Institute so that they can share their research findings with the members of the Institute and benefit by interactions with them. The seminar held on 15th was the first in a series to come. The major aims of the research project are the following:

1. To make a systematic comparison of agrarian ecotypes seen as infrastructures for different agrarian regimes.
2. To study the variety of relations of production especially the inter-relation between different forms of surplus appropriation, landed property and land rent, usury and merchant capital and different forms of profit.
3. To explore how the pattern and tempo of agrarian development is related to the above mentioned factors.

During the seminar, the scholars gave an outline of their research proposal and the findings of a pilot survey they had conducted. They also placed before the group a detailed questionnaire they had developed on the basis of the pilot survey.

On the 19th, Prof. Paul Fordham, Director, Department of Adult Education, University of Southampton visited the Institute and conducted a seminar on "Adult Education". Prof. Fordham brought into the discussion his wide and intimate personal acquaintance with the problems of adult education which he gained as Resident Tutor, University of Nottingham, Department of Adult Education in the fifties, and as Principal, Adult Studies Centre, Kikuyu, Kenya and Director, Institute of Adult Studies for University College, Nairobi in the sixties. The session was useful in the preparations that the Institute is now making for evaluation of the National Adult Education Programme in the State.

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Mr. Sarajit Majumdar joined as Research Associate of the Institute on October 15. Mr. Majumdar passed M. A. (Economics) from the Calcutta University and then worked for Ph. D. in the Sardar Patel Institute of Economic and Social Research, Ahmedabad. His Ph. D. thesis titled "Employment growth in India: Structural Analysis and Policy Requirements", has been submitted to the Gujarat University in December 1978. He worked in the Centre for Development Studies and Activities, Poona and dealt with the project "Impact of Techno-economic Inputs on the Economic Development- A Case Study of Rural Maharashtra". His overall interest is in the area of understanding the process of developmental changes.

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IAEA

The Executive Committee of the Indian Adult Education Association met in New Delhi in early September. It reviewed and finalised the programme for the annual conference of the Association in Amritsar from October 7-9 The theme of the Conference is NAEP and development with objectives, monitoring, training and materials production as sub-themes. The Governor of Punjab will inaugurate the conference and the Union Minister of Education will close it.

World Literacy Day

World Literacy Day was celebrated all over the country on September 8 with special emphasis on our NAEP. It was celebrated in Paris UNESCO headquarters on September 10 when the world state of illiteracy was reviewed and the warning sounded that the number of illiterates would exceed 1 billion if present trends continued. The 3 world prizes decided by the jury (see last issue p. 475) were awarded to Peru, Iraq, and Papua New Guinea, and honourable mention made of the outstanding literary efforts in Benin, Vietnam, Thailand, Indonesia, Panama and Sri Lanka.

TNBCE AND SRC

The Executive Committee of the Tamil Nadu Board of Continuing Education met in mid-September and reviewed the ongoing NAEP projects in the state and decided on their continuation into a second phase. It reviewed also the out-of-school project and decided to confirm the request to the state government to continue it. It also set up a sub-committee to plan the annual state conference in early November. Following this meeting, the Governing Board of the State Resource Centre met and examined the progress of the seminars, training courses and publication activities of the Centre. It revised the current year's budget and approved the budget for the next year.

J & K Commission

The Jammu and Kashmir Commission of enquiry visited in September the Ladakh province, stopping at Drass, Karghil and Leh to meet representatives and individuals who brought to the attention of the commission the many problems that they face, and seeking and suggesting remedies. This region is on a high plateau (11,000—14,000 feet) and is inaccessible because of snow from October to April every year.

Informatique

During the third week of September the President of the French Republic organised a nation week on 'Informatique and society'. Informatique covers a set of disciplines and technologies which relate to the systematic gathering and treatment and dissemination of data with a view to a rational use and greater and more balanced access to information. The importance of this area of Informatique can be understood when it is realised that the US reports that it is spending 49 per cent of its GNP on informatics. A rough calculation by the National Informatics Centre in India shows that we are spending about 0.6 per cent of our GNP on it. It is an instrument of decisive importance for our development. At Paris the week included an international round table on Informatics and International Cooperation at which after noting the growing gap in informatics between the industrial and Third World countries, detailed plans were drawn up by Asian specialists, Latin American, African and Arab states specialists for catching up with regional programmes. This was followed

by a colloquium addressed by President Valery D'estang and a week's talks and discussions on informatics and industry, informatics and culture, and informatics and national development and international cooperation. India through its National Informatics Centre participated in this important event.

October Seminar

The paper for the October Development Seminar 'Tribal Welfare' by Prof. S. Ramanathan together with a summary of the discussion at the seminar chaired by Dr. M. Srinivasan appears as the first article

Second Article

A note on growth, sustainability, or.........? by C. T. Kurien appears as the second article.

Correction

The designation of Dr. C. Arputharaj as indicated in the last issue of the Bulletin is incorrect. It has been clarified by Dr. Arputharaj that his designation is Head, Agricultural Economics Research Centre.

Tribal Welfare*

By

S. RAMANATHAN

Madras

Section A

About Scheduled Tribes

1. Description of Scheduled Tribes

A sociological or standard definition of Scheduled Tribes (also of Scheduled Castes) is not to be found in any literature. According to a description in the Constitution of India, Scheduled Tribes mean "tribes or tribal communities or parts of or groups within tribes or tribal communities" as are declared to be Scheduled Tribes by the President of India by public notification under Article 342(1) of the Constitution. Similarly, a description of Scheduled Castes is to be found in Article 341(1). The Census of India adopted these descriptions for the enumeration of Scheduled Tribes and Scheduled Castes in 1961 and 1971. Article 244 empowers the President to declare any area as 'Scheduled Area', while Article 342(2) empowers the Parliament to modify the list of Scheduled Tribes by inclusion or exclusion. "To many it simply means that the Tribes comprise a class of people who come under the care of the President of India under Article 342 of the Indian Constitution, and are declared as Scheduled Tribes. To many ordinary men they form a category of people worthy of study by anthropologists". [1]

2. Constitutional provisions

2.1 There are several Constitutional provisions to safeguard the interests of the Scheduled Tribes (as of the Scheduled Castes) and to provide them with certain privileges and concessions. These provisions may be described as 'protective discrimination' or 'positive discrimination in favour of the Scheduled Tribes (Scheduled Castes).

2.2. Article 46 of the Constitution lays down that "The State shall promote with special care the educational and economic interests of the weaker sections of the people, and, in particular, of the Scheduled Castes and the Scheduled Tribes, and shall protect them from social injustice and all forms of exploitation". Reservation of seats for members of Scheduled Tribes,

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* This paper is based on four studies relating to Scheduled Tribes in Tamil Nadu conducted by this writer for this Institute.

1. Narasimhan, S. (Dr.), Tribal Development in India - A Critical Appraisal. Seminar Paper Madras, 1974.

proportionate to their population, in the House of the People in Parliament and in the Legislative Assemblies of the States are provided under Articles 330 and 332. These two Articles do not preclude members of Scheduled Tribes from contesting seats in the general constituencies. This is because the framers of the Constitution restricted the applicability of Articles 330 and 332 for a limited period of ten years from the commencement of the Constitution, ie. January 26, 1950. This period has already been extended twice, each for a period of ten years, through Constitution (Amendment) Acts, and the second extension is to end in January 1980. (But. it seems as though these two Articles may be extended every ten years as a matter of ritual.) Article 335, free from any time limitation, specifically provides for reservation for members of Scheduled Tribes for appointment to services in the Union and State Government, and this has been facilitated through the provison to Clauses 3 and 4 of Article 320 relating to Public Service Commissions. A quota, at present of seven per cent of the vacancies to be filled through the Union Public Service Commission or by competitive examinations and a similar percentage of vacancies to be filled in any other manner are reserved for candidates from Scheduled Tribes, and this quota of seven per cent is fixed to be proportionate to their population. Further, relaxation in age limit and in the standard of suitability and of qualifications have been provided for Scheduled Tribes candidates. "......and more recently, quotas have been fixed even in regard to promotions in certain categories of jobs. And where the Scheduled Castes and Scheduled Tribes are not available in adequate numbers in any year, the vacancies should not be filled by other candidates but should be carried over to the next year".[2] Article 335 does not bar candidates from Scheduled Tribes from competing for the vacancies to be filled from the general pool. Article 275(1) provides for financial assistance from the Centre to the States to implement the Constitutional provisions to promote the welfare of Scheduled Tribes, while Article 339(2) enjoins on the executive power of the Union to the giving of directions to the States relating to the welfare schemes for Scheduled Tribes Articles 338 and 340 provide for the appointment of a Special Officer by the President for Scheduled Castes and Scheduled Tribes and for the appointment of a Commission by the President *to investigate the conditions of the socially and educationally backward* classes and the difficulties experienced *by them* respectively. The President is to cause the reports of the Special Officer and the recommendations of the Commission to be laid before each House of *the Parliament.*

2.3. The Supreme Court judgement in State of Madras vs. Champakam Dorairajan resulted in resolving the inherent conflict between Article 29(2), under Fundamental Rights reading "No citizen shall be denied admission into any educational institution maintained by the State or receiving aid out of State funds on grounds only of race, religion, caste, language or any of them" and Article 46, under Directive Principles of State Policy, already quoted in 2 2, by the inclusion of clause (4) to Article 15 (under Fundamental Rights) through the Constitution (First Amendment) Act, 1951, reading "Nothing in this article or in clause 2 of article 29 shall prevent the State from making any special provision for the advancement of any socially and educationally backward classes of citizens or for the Scheduled Castes and Scheduled Tribes". (This, in a way, set the precedent for provision under the Directive Principles

2. *The Hindu* Madras May 5, 1979, p. 6.

of State Policy to be given greater importance than the provision under the Fundamental Rights in the Constitution.)

2.4. While Article 335 relating to reservation for members of Scheduled Tribes (as also in the case of Scheduled Castes) for appointment to services in the Union and State Governments is free from any time limitation, Article 336 relating to reservation for members of Anglo-Indian community to appointment to services in the Union Government provided for progressive reduction and "at the end of ten years from the commencement of the Constitution, all such reservations shall cease".

2.5 There is no Constitutional provision to safeguard the interests of the Muslim community, a significant minority in the country, and for their betterment.

3. Scheduled Tribes in Tamil Nadu

3.1 The list of 42 names of Scheduled Tribes in Tamil Nadu with the specific areas within which each of them is to be treated as Scheduled Tribe, as in the Presidential Order, 1956,* formed the basis for Census enumeration of Scheduled Tribes in 1961 and 1971. Only 28 of the listed 42 Scheduled Tribes for a total population of 251,991 (129,185 males and 122,806 females) and 33 of the 42 Tribes for a total of 311,515 (159,706 males and 151,809 females) were enumerated in the Census of 1961 and 1971 respectively. The reasons for not enumerating all the 42 Tribes, according to the Census Report, are that some of the names in the list of Scheduled Tribes are synonyms of major tribes; some other names in the list are also in the list of Scheduled Castes, and some other tribes living on the border areas move into Kerala and come back with the result that those Tribes disappear and reappear from Census to census.[3] Further, 13,422 persons, returned under the generic names of Scheduled Tribes in 1961 and 9,016 in 1971 were treated as 'Unclassified' for the purpose of tribe-wise distribution, though they were included in the population of Scheduled Tribes. The population of Scheduled Tribes constituted 0.75 percent and 0.76 percent of the total Tamil Nadu population in 1961 and 1971 respectively, as compared to Scheduled Castes population of 18.01 per cent and 17.76 per cent in 1961 and 1971.

3.2 The seven Scheduled Tribes of Eravallan, Hill Pulayan, Malayan, Malayarayar, Palleyan, Ulladan and Vishavan were not enumerated in 1961 and 1971. It would seem that the names of Palleyars, Palleyan and Palliyan denote one and the same tribe. Similary, Malai Aryan and Malayarayar, Malasar and Mahamalasar and Pulayan and Hill Pullayan denote the same tribes. In the case of the last pair, the distinction seems to refer to their being in the plains and on the hills.

3.3 Only 2 of the 42 Scheduled Tribes (Kadar and Irular) do not have any 'area restriction'. Those persons belonging to the other Tribes, who, on the day of

* The list of Scheduled Tribes in Tamil Nadu and other appendices relating to the paper (distribution of Scheduled Tribe Workers in certain occupational categories in 1961, district-wise distribution of Schools, Scheduled Tribe pupils and hostels; number of Scheduled Tribe pupils; distribution of Scheduled Tribe pupils and non-Scheduled Tribe pupils in standards VI to VIII and IX to XI in the State; some facts relating to Kalrayan Hills, and some excerpts from published articles relating to job reservation) are available with the author.

3. *Census of India* 1961, Vol. IX (Madras), Part V-A(i) p. 19

Census enumeration, happened to be outside the areas specified for them as in the Presidential Order, 1956, had to be left out of the Scheduled Tribes population. To illustrate, "Malayali is a Scheduled Tribe only in the districts of North Arcot, Salem and Tiruchirapalli. Though about 7,000 Malayalis live in the South Arcot district as primitive conditions as the Malayalis in the other 3 districts, the Malayalis enumerated in South Arcot district have not been classified as Scheduled Tribes. The restriction is not based on nativity but on physical presence on the day of enumeration. A Malayali tribal of Salem district ceases to be a member of the Scheduled Tribe, if, on the day of enumeration, he was in Madras ...on the advice of the Registrar General, we have restricted the number to those censused in the areas specified for each Scheduled Caste and Scheduled Tribe".[4] That a person is to be considered as belonging to a Scheduled Tribe while in a specified area and not consider him so while in another taluk or district whithin the same State is utterly incongruous. This 'area restriction' not only distorts the total population of Scheduled Tribes but also their tribe-wise distribution. Further, it cannot but seriously affect the mobility of members of Scheduled Tribes due to the fear of losing the special privileges and concessions.

3.4 The incongruity of the 'area restriction' was specifically emphasised in the various research reports of this Institute, and this matter, among other things was brought to the special attention of the then President and the Minister of State for Home Affairs. A bill to abolish the 'area restriction' was passed by the Parliament in September 1976. This Act also empowers the census authority to reestimate the population of Scheduled Castes and Scheduled Tribes and the Election Commission to re-allocate the reserved constituencies. But this Act of 1976 does not seem to have come into force.

3.5 On what basis or criterion the two Tribes of Kadar and Irular escaped the 'area restriction' is not known. The population of the Kadar Tribe, according to the Census of 1961, was only 293, distributed in three districts (287 in Coimbatore, 2 in Salem and 4 in Triunelveli), while the population of the Irular Tribe was 79 835 in 1961, and this tribe is numerically the second largest tribe next only to the Malayali tribe with its population of 1,29,952 which was scheduled to only the three districts of North Arcot, Salem and Tiruchirapalli.

3.6 Those belonging to the tribes of Yerukula, Yenadi and Sugali (Lamnadi) in Tiruttani taluk of North Arcot District were not enumerated as Scheduled Tribes in 1961 and 1971. These three tribes were treated as Scheduled Tribes throughout Andhra Pradesh except in the Telengana district. But, from April 1, 1960, when Tiruttani taluk was transferred from Andhra Pradesh to Tamil Nadu according to the Andhra Pradesh-Madras Alteration of Boundaries Act, 1960, these three tribes ceased to be Scheduled Tribes since the list of Scheduled Tribes for Tamil Nadu did not contain their names and also since there was no enabling provision to treat them as Scheduled Tribes in Tamil Nadu. The 'area restriction' and the exclusion of these three Tribes distort the population figures of Scheduled Tribes in Tamil

4. *Census of India* 1961, Vol. IX (*Madras*), Part V-A(i) p. 19.

Nadu. Such lapses may have also distorted the population figures of Scheduled Tribes in the other States also.

3.7 The tribe-wise distribution of Scheduled Tribes based on the 1971 Census has not become available to this writer. Tribe-wise tabulation based on the 1961 Census reveals that there were 11 Tribes in Tamil Nadu (out of the 42) the population of each of which was a single digit number and two other Tribes having a population of 26 and 58. Thirteen Tribes accounted for a totla population of only 127. According to the 1961 Census, 22 of the 28 enumerated tribes accounted for a total population of only 8,719, while the other six tribes accounted for a total population of 2,29,830, constituting 91.21 per cent of the total Scheduled Tribes population in Tamil Nadu in 1961, as shown below:

S. No.	Name of Tribe	No. of persons	As % of State S.T. Population	
1.	Malayali	1,29,952	51.57	
2.	Irular	79,835	31.68	...83 25
3.	Kattunayakan	6,459	2 56	
4.	Sholaga	6,136	2.44	
5.	Paniyan	4,779	1.90	
6.	Pulayan	2,669	1.06	
	Total	2,29,830	91.21	
22 Tribes (8,719) & unclassified (13,442)		22,161	8.79	
Total population of Scheduled Tribes		2,51,991	100 00	

3.8 It is known that most of the member of Scheduled Tribes speak Tamil or Telugu or a combination of both while some use a few Malayalam or Kannada words also. There does not seem to be any Scheduled Tribe in Tamil Nadu, including the numerically small Toda Tribe that has roused great interest among the anthropologists, which can be called aboriginal in the strict sense. It would seem that members of Scheduled Tribes now living on the hills moved from the plains to the hilly and forest areas in the past. It is possible that some of those Nayakans (not Scheduled Tribes) who moved into the hill areas came to be called Kattu-Nayakans (forest Nayakans) and came to be considered as a Scheduled Tribe. Likewise, there are many kinds of Reddis, who generally speak both Telugu and Tamil and who may have migrated from the Telugu-speaking districts of the composite Madras Province into Tamil-speaking districts. But, only Konda-Reddi is listed as a Scheduled Tribe. If during the Census enumeration a Kattu-Nayakan or a Konda-Reddi failed to give the first part of the name he will not be enumerated as belonging to Scheduled Tribes. No Konda Reddi was enumerated in Salem district in the 1961 Census; but in 1971, 507 Konda Reddis were enumerated in that district (128 in Salem taluk, 378 in Sankari taluk. and 1 in Rasipuram taluk). It is known that the Konda Reddi families in Salem and Sankari taluks have been living there for generations. Naturally, these families could not take advantage of the privileges and concessions enjoyed by the families of the other tribes. Similarly, while no Kondakappu was enumerated in Salem district in the 1961 Census, 54 were enumerated in Sankari taluk of Salem district in 1971

3.9 Tamil Nadu accounts for a little less than 4 per cent of the area of the country as a whole, and population-wise, Tamil Nadu ranked seventh among the States and Union Territories in 1971. The population of Scheduled Tribes in Tamil Nadu constituted 0.8 per cent of total Scheduled Tribes population in the country in 1961. Tamil Nadu had the lowest percentage of Scheduled Tribes population among the States in South India in 1961, as shown below:

State	*S. Ts population as % of the State population*
Andhra Pradesh	3.68
Kerala	1.26
Mysore	0.81
Tamil Nadu	0.75

The Scheduled Tribes population accounted for 6.94 per cent of the country's total population in 1971.

3.10 It is known that between 65 percent and 80 per cent of members of Scheduled Tribes live in the hilly and forest areas. The proportion of Scheduled Tribes and Non-Scheduled Tribes in rural and urban areas, the percentage distribution of Scheduled Tribes and Non-Scheduled Tribes in rural and urban areas and the sex ratio among them in rural and urban areas of Tamil Nadu, according to the Census of 1971, are given in (a), (b) and (c) respectively below:

	Scheduled Tribe	Non-Scheduled Tribe	Total
	(a)		
Rural	1.02	98.98	100.00
Urban	0.14	99.86	100.00
Total	0.76	99.24	100.00
	(b)		
Rural	94.50	69.56	69.74
Urban	5.50	30.44	30.26
Total	100.00	100.00	100.00
	(c)		
Rural	950	991	991
Urban	960	951	951
Total	951	978	978

3.11 The five districts where there was concentration of Scheduled Tribes population in 1971 are Salem (30.30 per cent) North Arcot (22.70 per cent), Dharmapuri (9.67 percent), Chingelput (8.73 per cent), and Coimbatore (8.35 per cent), accounting for 79.75 per cent), of the Scheduled Tribes population in the State.

3.12 Tribe-wise, the districts of Salem, North Arcot, Chingelput and Coimbatore accounted for 95 per cent of the Malayalis 75 per cent Irulars, 83 per cent of the Kattunayakans and 98 per cent of the Sholagas (the four most populous Tribes), besides a small percentage from the other numerically small Tribes and the Tribe-wise 'Unclassified' in 1961.

4. Scheduled Tribes Workers

Out of the 136,455 scheduled Tribes workers (78,616 males and 57,839 females) in the rural areas of the State

in 1961, 61 per cent and 20 per cent were cultivators and agricultural labourers respectively.

5. Literacy among Scheduled Tribes

The percentage of literacy among Scheduled Tribes and Non-Scheduled Tribes rose from 5.91 and 31.60 respectively in 1961 to 9.02 and 39.69 in 1971. The percentage of literacy among Scheduled Tribes would have been far better but for the very negligible percentage of literacy among Scheduled Tribes females in the rural areas.

6. Scheduled Tribes Pupils

6.1 The number of Scheduled Tribes pupils accounted for 4.90 per cent 0.77 per cent and 0.46 per cent of the Scheduled Tribes population in the State in the Primary Middle and High school stages of education in 1972, as against 12.76 per cent 3.29 per cent and 1.74 per cent in the case of non-Scheduled Tribe pupils. (The number of Scheduled Castes pupils accounted for 12.86 per cent, 2.62 per cent and 1.33 per cent at the same stages of education in 1972, as against 12.67 per cent, 3.41 per cent and 1.82 per cent in the case of Non-Scheduled Caste pupils).

6.2. Taking school education as a whole, from Standards I to XI, the four districts of Salem, North Arcot, Chingleput and Coimbatore accounted for about 63 per cent of all the Scheduled Tribes pupils in the State in 1972.

6.3. The number of pupils, Scheduled Tribes and non-Scheduled Tribe, stage-wise, in 1971-72 is as follows

Stage	Scheduled Tribes pupils	Non-Scheduled Tribe pupils
Primary	15,275	5,218,303
Middle	2,400	1,344,475
High	1,436	712,870
College	232	180,053

(The number of Scheduled Castes pupils during the same year at the Primary, Middle, High School and College stages were 940,769, 191,827, 97,517 and 13,133 respectively as against 4 292, 809, 1,155,048, 616,789, and 167,152 in the case of non-Scheduled Caste pupils)

7. Scholarships

During 1975-76, only 117 Scheduled Tribe pupils received the Government of India Post-Matric scholarship (75 fresh pupils and 42 renewals, while during the same year 1, 622 Scheduled Tribes pupil received the State Pre-Matric scholarship (1,080 fresh pupils and 542 renewals. It is not known why the State Pre-Matric scholarship allotment was made only for six districts, and why not a single scholarship was awarded (fresh or renewal) in one of those districts. namely, Tiruchirapalli.

8. Residential and Non-Reisdential Schools and Hostels for Scheduled Tribes pupils in 1975.

8.1. There were, as of 1975, 66, 7 and 2 Elementary, Higher Elementary and High Schools of the residential type in the State for Scheduled Tribes pupils. Both the High Schools are in Salem district.

8 2. There were 15 hostels for Scheduled Tribes pupils, as of 1975, in the State.

Section B

Government Policy

1. General

1.1. It was realised even in 1934 by the then Central Government that some minority communities of the society were in a state of backwardness, stagnation and isolation. One of the ways by which their development was sought to be facilitated was by providing seats for their representatives in the then Central and Provincial Legislative Assemblies through the system of separate electorates for the minority communities in the Government of India Act, 1935. This was very vehemently opposed by the then leading nationalists on the ground that the provision of separate electorates for the minority communities was only intended to perpetuate 'the divide and rule' policy of the then foreign Government. The unholy provision in the 1935 Act was made holy by the framers of our Constitution by providing for separate electoral constituencies for Scheduled Castes and Scheduled Tribes, proportionate to their populations (Article 330); and the framers of the Constitution, in their wisdom, restricted the applicability of this provision for a limited period of ten years from the commencement of the Constitution (ie. January 26, 1950). They did not realise, again in their wisdom, that this provision could be perpetuated through Contitutional Amendments to this provision. This provision, as has been mentioned in an earlier context, has already been extended twice, each for a period of ten years, and another extension is to be expected shortly.

1.2. The Central and State Governments have undertaken several schemes for the educational, economic and social upliftment of Scheduled Tribes (and of Scheduled Castes) during the past thirty years.

2. Educational

2.1 A scheme started by the Union Government in 1945 to grant Post-Matric scholarships to Scheduled Castes pupil was extended to Scheduled Tribes pupils in 1948 to enable them to go in for higher education. This scholarship covers maintenance allowance also, and this scheme is administered by the State Governments. The Union Government incurred an expenditure of Rs. 5.52 crores, Rs. 8.85 crores and Rs. 14.39 crores over this Scheme during the First, Second and Third Five-Year Plan periods respectively. All the eligible Scheduled Tribes pupils were granted this scholarship irrespective of the income of their parents/guardians till 1974-75. From that year only those pupils whose parents'/guardians' income does not exceed Rs. 500/- per month are eligible for the full maintenance allowance, and a graded system of maintenance allowance was introduced for the pupils from the higher income families.

2.2 The Union Government issued instructions that expenditure upto the level of 1968-69 on Post-Matric scholarship should be borne by the State Governments and that the expenditure above that level would be met by the Union Government. This new formula of the Union and State Governments sharing the financial responsibility for the Post-Matric education of Scheduled Tribes pupils (and of the Scheduled Castes pupils) seems to have adversely affected the grant of Post-Matric scholarships by the State Governments. There were only 117 Scheduled Tribes

pupils receiving Post-Matric scholarships in Tamil Nadu in 1975-76.

2.3 The Union Government instituted a scheme to award Overseas Scholarship and Passage Grants for Scheduled Tribes pupils (and Scheduled Castes pupils) for studies abroad in 1954.

2.4 One of the Pre-examination Training Centres in the country, financed by the Union Government and administered by the State Government, for coaching Scheduled Castes and Scheduled Tribes pupils (also pupils from Backward Classes) for the All-India Competitive Examinations is located in Madras.

2.5 School education is free for all pupils in Tamil Nadu. To encourage education among Scheduled Tribes the State Government awards grants and Scholarships, residential and non-residential. Grants are given to pupils in Standard I to III. Non-residential scholarship includes the amount of special fees and examination fees, if any, and an allowance to buy books, while the residential scholarship. awarded to pupils in Standard VI and above, includes the boarding and lodging charges and the amount of the non-residential scholarship. All Scheduled Tribes pupils the annual income of whose parents/guardians does not execeed Rs. 3,000/- are eligible for the State Government Pre-Matric scholarships. (It is not known whether this amount has been raised recently.) A total of only 1,622 Pre-Matric scholarships were awarded to Scheduled Tribes pupils in only five of the districts

2.6 There are 76 residential and non-residential schools for Scheduled Tribes pupils in the State (as of 1976). The relative district population of Scheduled Tribes had not been taken into consideration in opening these schools in the several districts.

2.7 There are 15 Hostels for Scheduled Tribes pupils in the State (as of 1975), four of which are for High School pupils, two for boys and two for girls. Thirty per cent and ten per cent of the available seats in these Hostels are allotted to pupils of Scheduled Castes and Backward Classes respectively "as a step towards integration and removal of untouchability and to create a chance for the Scheduled Tribes to mingle with other students from other communities".[5]

2.8 The State Government recently introduced a scheme for giving 'Merit Grant' of Rs. 300/-to each of the pupils from Scheduled Castes and Scheduled Tribes who pass the S. S. L. C. examination with 70 per cent or more of marks. Pupils who are to pursue higher education are given an ad hoc merit grant of Rs. 300/- each to meet initial expenditure, and this grant is in addition to the other facilities and concessions.

2.9 Several other schemes also like coaching a certain number of Scheduled Tribes candidates appearing for the Chartered Accountants Examination, granting a loan of Rs. 2,000/-for each of the Tribes pupils who wishes to go in for professional courses like medicine, engineering, etc., and for giving training in agriculture and allied subjects, etc. have been instituted by the State Government. There is also a scheme to open 15 special coaching centres in the State for coaching Scheduled Castes and Scheduled Tribes candidates appearing for Group IV Service examinations of the Tamil Nadu Public Service Commission.

5. Government of Tamil Nadu, Directorate of Harijan Welfare, *performance Budget*, 1974-75, p. 16.

3. Economic and Social

3.1 The Union Government, either through centrally sponsored schemes or through grant-in-aid, and the State Government have undertaken schemes right from the First Five-Year Plan period. The amount spent for the upliftment and welfare of Scheduled Tribes in Tamil Nadu during the period 1951 to 1974 is Rs. 289.70 lakhs, which, incidentally, would be about Rupees five per tribal per year. This expenditure includes the amounts spent on the two Tribal Development Blocks in Kolli Hills and Yercaud in Salem district, which were started in 1963 and 1966 respectively, as special programmes for tribal welfare. An assessment of the results of the various programmes to promote tribal welfare in the State is to be found in the comment; "With all these expenditures and the efforts of voluntary organisations in the field, it is found that the problem still eludes effective solution". "While programmes like tribal schools, scholarships, etc. have been helpful to the beneficiaries, there have been programmes like land colonisation which have not been able to achieve the desired results. The reasons for this are many. The tribals themselves, for example, were not enthusiastic about certain programmes mainly because of their ignorance and traditional prejudices. Another reason has been lack of trained and right type of personnel to implement these programmes at the field level. A third reason would be that there has been no systematic monitoring of information on the implementation of these programmes at the field level and consequently there has been no system of feed back of this information from the field level to the policy making level. Yet another reason could be lack of administrative and interdepartmental coordination in drawing up an Integrated Programme and implementing it in a coordinated fashion."[6]

3.2 The two Tribal Development Blocks in Kolli Hills and Yercaud are the only two such Blocks in the State. "No Socio-economic survey was conducted in the Kolli Hills before converting the blocks into a T. D. Block. Some sort of a rough survey was however made in the Yercaud Block at the time of the preparation of the Master Plan for the Block".[7] Regarding the Tribal Development Blocks in Kolli Hills and Yercaud; "These aimed at bringing about the rapid improvement in the economic and social standards of the tribal people by selecting undeveloped and compact areas for multifaced development. The area of these tribal developmet blocks is confined to that of the Panchayat Development Block"[8]

3.3 The Tribal Development Blocks in Kolli Hills and Yercaud switched over to a new pattern known as integrated Tribal

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6. Government of Tamil Nadu (The Expert Cell, Directorate of Harijan Welfare) Madras, *A Sub-Plan for Tribal Develpoment in Tamil Nadu.* 1974, p. 12 and pp 167-68).

7. Government of India, Planning Commission, *Report of study Team on Tribal Development Programmes,* Madras 1967, p 43.

8. Government of Tamil Nadu, *Report of the Committee on Welfare of Scheduled Tribes,* Madras, 1976. p. 11.

Development Project from April 1, 1975. "This new strategy brings into focus the fact that the welfare of the Scheduled Tribes is primarily the responsibility of the general sectors development. The efforts taken over and above general sectors efforts will be purely supplemental in nature. This logic leads us to the necessity of earmarking or quantifying the benefits that would accrue to the tribals from the general sector efforts."[9] The two preconditions for an Integrated Tribal Development Project are (1) the minimum area must be a block and (2) the tribals must constitute 50 percent of the total population of that block. Strategies and new strategies are formulated and executed now and then, and at the end it is found that precious little has been achieved even according to Government's own assessment/evaluation. It is difficult even to imagine to what extent benefits would accrue to members of Scheduled Tribes, most of whom live on hilly and forest areas, through the new strategy and in what period of time. There cannot be any alternative to a pragmatic approach with specific and time-bound programmes, suited to the different areas of concentration of the tribal people for tangible development of tribal areas and the upliftment of the tribal people. Tamil Nadu has, after all, a very small percentage of tribal population, concentrated in 4 or 5 districts.

(Some of the Government Reports on the Welfare of Scheduled Tribes in Tamil Nadu contain several factual errors and contradictions.)

Section C

Findings and Suggestions

1. There is only a vague description of Scheduled Tribes in the Constitution, and there is scope for indiscriminate inclusion and exclusion. A standard of sociological definition of Scheduled Tribes is essential.

2. It seems that the Scheduled Castes and Scheduled Tribes Orders (Amendment) Act, 1976, is to abolish 'area restriction' *only* for some of the Tribes. The utterly incongruous 'area restriction, should be abolished for *all* the tribes in Tamil Nadu and suitable provision should be made to enable those who would get classified as Scheduled Tribes to enjoy all the benefits as enjoyed by the other tribal communities.

3. If the population of the three tribes of Yerukula, Yenadi and Sugali in Tiruttani taluk of North Arcot District is found to be fairly substantial (each with a population of at least 100), those three Tribes should be included in the list of Scheduled Tribes for Tamil Nadu.

4. The seven Tribes which were not enumerated both in the Census of 1961 and 1971 (Section A, 3.2) should be removed from the list of Scheduled Tribes for Tamil Nadu the thirteen Tribes, each with a population of considerably less than 100 (Section A, 3.7) should be de-scheduled and the list should be so revised as to eliminate the synonymous names.

9. Government of Tamil Nadu, *Report of the Committee on Welfare of Scheduled Tribes*, Madras, 1976, p. 30

5 (a) Nearly 70 per cent of the members of Scheduled Tribes are concentrated in the four contiguous hill districts of Salem, North Arcot, South Arcot and Dharmapuri; there are no aboriginal tribes, as such, in the State; the members of Scheduled Tribes do not suffer from 'untouchability' or any other specific social disability; tribal members consider themselves superior to members of Scheduled Castes and do not have any social contacts with them, while they are in social contact with members of 'Backward Classes'; among the Tribal members the marriage of a son is more expensive than that of a daughter because of the custom of 'bride price'; about 70 per cent of the Tribal members are in the prime of life; most of the Tribal members have small families; venereal diseases are common among them; irrespective of the economic status, the members of Scheduled Tribes living in the hills and forest areas live in huts utterly unfit for human habitation with drinking water facilities not being within easy reach and with no medical facilities for emergency and maternity cases, and with primary and higher elementary schools not being within easy reach for the children; there is an astonishingly high degree of politicization among them, while many of them are ignorant of the special privileges and concessions to which they are eligible and of the government efforts to improve their lot; roughly about 10 per cent of them are farmers (mostly small), while about 60 per cent of them are agricultural labourers; the average monthly income of about 80 per cent to 85 cent of the Tribal families is below Rs. 400/-, and the average monthly income of about 70 per cent of them is below Rs. 200/-; between 70 per cent and 80 per cent of the Tribal families are in debt, most of them being families of agricultural labourers and small farmers; about 60 per cent of the indebted families have borrowed from money lenders and another about 15 per eent from friends and relatives; the extent of debt of most of the indebted families is Rs. 3,000/- or below; the main reasons for borrowing are for household maintenance, marriage, of a daughter or son, paying 'community fine 'and agricultural purposes; the members of Scheduled Tribes and the money lenders of the plains are 'traditional friends for generations' and there is social contact between them; the money lenders advance loans without any written document or security and at the time and in the amount needed by Scheduled Tribe members; the money lenders get repaid mostly in kind; many of the members of Scheduled Tribes complain about the harassment of the Forest Department officials and the contractors; most of the Scheduled Tribes members are very indolent.

5 (b) The efforts to improve the lot of Scheduled Tribes should be concentrated in the four districts of their concentration (Salem, North Arcot, South Arcot and Dharmapuri) instead of spreading the available resources for the purpose too very thin over all the districts; for laying roads, building suitable houses, schools. health and community centres, digging wells, etc., the materials available locally must be used and with the labour of the members of the tribes; primary schools must be located to be within fairly easy reach of the children; centres to manufacture agricultural implements and other tools needed in a given in area must be started and training the production should be given to tribal youths; centres for giving training in handicrafts, both for men and women, must be started which could give supplementary income to the households; training in modern methods of cultivation must be arranged; the available surplus land, wet or

dry, in the area must be given to the landless and small farmers and 'shift cultivation' must be prevented; most of the members of Scheduled Tribes do not want to take advantage of the Debt Relief Act, 1976 to repudiate the loans they have taken from their traditional friends, the money lenders, and the only way to wean them away from the money lenders, would be by starting financial institutions specially for their benefit which can lend them without delay, without much formality and without security for productive purposes; cooperatives for marketing the produce and other production (honey, handicrafts, etc.) would be of considerable help to them. The population of Scheduled Tribes in the State is a small one, many of them are not primitive in the literal sense and there is a very heavy concentration of tribal members in just four districts. The lot of the Scheduled Tribes can be considerably improved in a relatively short period of time, provided the schemes for Tribal development are both pragmatic and to meet their felt needs and the schemes are implemented by sincere and devoted personnel.

Section D

A Scheme for Tribal Development

1. General

The Scheme may be called the Inter-District Integrated Tribal Development Agency. The two main pre-conditions are (1) to do away with the common budgeting for the welfare of Scheduled Castes and Scheduled Tribes (this has been well pointed out in the Report of the Study Team on Tribal Development Programmes of the Planning Commission, 1967, pp5-6), and (2) the realisation that voluntary social welfare agencies with their trained social workers have a very useful role to play in tribal development. In the words of Dr. Malcolm Adiseshiah: "Voluntary agency action is needed for (a) this programme to become a people's programme, (b) the motivation for self-improvement and self-renewal to be aroused among the tribal people, (c) work by social workers of the agencies to provide social case work services, act as liaison between the tribal community and Government-on matters relating to farming, credit, availability of inputs, development of subsidiary occupations, health, education and sanitation etc. and generally act as the conscience with regard to the conditions under which the tribals are living and surviving." (Preface to *Tribal Welfare in Salem District—Role of Government and Voluntary Welfar Agencies*. pp iv-v.)

2. Inter-District Integrated Triba Development Agency

2.1 An Inter-District Integrated Tribal Development Agency for the four contiguous hill districts of Salem, North Arcot, South Arcot and Dharmapuri, the districts of concentration of Scheduled Tribes population in Tamil Nadu, with its headquarters in Salem is to be set up.

2.2 The head of this Agency, the Commissioner for Tribal Welfare, is to be directly responsible to the Chief Secretary of the State Government and he is to be a relatively senior I.A.S. officer to be able to enlist the cooperation of the various

departments of State Government and is one interested in tribal development.

2.3 There is to be a District Consultative Committee for each of the four districts with the Commissioner for Tribal Welfare as the Chairman. The members of the District Consultative Committees, not exceeding twenty, are to be the District Collector, the District Officers connected with the departments of Public Works, Agriculture, Forest, Animal Husbandry, Education, Health and Family Planning, Cooperation, Housing Board, Electricity Board, Khadi and Village Industries Board, Agro Industries Corporation, a representative from the State Bank of India and a nationalised Bank from the district and three or four tribal representatives from the different taluks on a rotation basis. The Gazetted Personal Assistant to the Commissioner for Tribal Welfare is to be the Member-Secretary to the Committee. The President of the Executive Secretary of the Voluntary Welfare Agency (to be known as the Tribal Welfare Agency) is to be the Welfare Consultant to the Commissioner and is to be a member of each of the four District Consultative Committees.

2.4 Each District Consultative Committee is to meet at least once in four months, and more often, if necessary.

2.5 The present Integrated Tribal Development Projects in Kolli Hills and Yercaud are to be merged with this Agency.

2.6 The Office of the Commissioner for Tribal Welfare is to have an administrative section and a field section, the latter having a small research cell which is to work in close cooperation with the Voluntary Welfare Agency. The staff selected for this Agency must be persons having a sympathetic attitude towards the tribal people and who would not consider the posting as 'punishment posting'. Some tribal members already in the service of the State Government may be selected for this Agency, and this may bridge the gap between tribal members who are educated and in good positions and the communit-teesfrom which they hail.

2.7 It shall be the responsibility of each District Consultative Committee to draw up realistic, time-bound programmes, taking into consideration the felt needs of the tribal members and suited to the different areas of tribal concentration in each district, and it is to be the responsibility of the Commissioner to implement properly the various programmes with the cooperation of the concerned district officials in a well-coordinated manner.

2.8 This Agency is to submit a detailed progress report for the year ended and the programmes to be implemented during the ensuing year to the Chief Secretary to the Government. The Chief Secretary, at the end of the first three years of existence of this Agency, is to appoint a small committee consisting of three members (one official and two non-officials) to evaluate the progress made by this Agency and to suggest measures, if necessary, for the better functioning of this Agency.

2.9 This Agency is to function for a specific period of five or six years during which period substantial progress must be achieved in tribal development and welfare in the four districts, and when this Agency has ceased to exist after 5 or 6 years, as the case may be, the District Consultative Committees are to continue to function for a period of five years to look after the 'follow-up work' which is essential.

2.10 A good portion of the needed funds for the proper functioning of this

Agency and for this pilot project can be secured from the Central Government. The Central Government funds for financing the present two Integrated Tribal Development projects in Kolli Hills and Yercaud would become available to this Agency. The State Government made an ad hoc grant of Rs. 1 crore for 1966-67 for various development schemes for the welfare of the tribals in five districts, and this Agency would cover four of those five districts, and consequently, the State Government need not hesitate to make available enough funds for this Agency.

2.11 The State Government is to implement the tribal development programmes in the other districts in the State, which account for about 30 per cent of the total tribal population.

3. Voluntary Welfare Agency

3.1 The Voluntary Welfare Agency (to be set up) is to be known as Tribal Welfare Agency with its headquarters in Salem. The programmes and activities of this Agency, during the first five years, are to be confined to the four districts of Salem, North Arcot, South Arcot and Dharmapuri, and this Agency is to work in close cooperation with the Inter-District Integrated Tribal Development Agency.

3.2 This Agency, which is to be a registered body, is to have an Executive Committee consisting of not more than twenty and not less than sixteen members drawn from the concerned four districts and the members are to be known social workers, particularly interested in tribal welfare. The President, the Executive Secretary, the Treasurer and the other members of the Committee are to hold office for a period of five years in the first instance. The President or the Executive Secretary or both, shall be well-experienced social worker(s) and researcher(s) with a post-graduate degree in Social Work.

3.3 The President or the Executive Secretary of this Agency is to be the Welfare Consultant to the Commissioner for Tribal Welfare and be a member of each of the four District Consultant Committees. This Agency is to appoint eleven trained and experienced social workers with post-graduate degree/diploma in Social Work and assign one social worker exclusively for each of the seven hill areas of Yercaud, Kolli Hills and Kalrayan Hills in Salem district, Kalrayan Hills in South Arcot district, Yelagiri and Jawadhi Hills in North Arcot district and Sitteri Hills in Dharmapuri district, and one each for the other areas in each of the four districts. Suitable arrangements must be made for the seven social workers who are to reside in the hill areas. These social workers are to be under the professional guidance and supervision of the President or the Executive Secretary of the Agency. The office staff of this Agency is not to exceed five or six members with a research officer to conduct research studies with the help of the social workers. The research officer of this Agency is to work in close cooperation with the Research Cell in the Inter-District Integrated Tribal Development Agency

3.4 This Agency, in consutation with the Commissioner of the Inter-District Integrated Tribal Development Agency, may run pre-school / day - care centres and appoint suitable staff for them, may organise technical training programmes on a non-formal basis for suitable young tribal persons and also arrange for the training of para-medical workers and mid-wives from suitable tribal persons in the four districts.

3 5 This Agency is to be the effective link between the tribal communities and the Commissioner of the I.D.I..T.D. Agency; the trained personnel of this Agency should ascertain the felt needs of the tribal communities and their priorities in the different areas of their concentration and communicate them through the President / Executive Secretary to the Commissioner for I.D.I.T.D. Agency; they should do effective liaison work between the medical and para-medical workers and the tribal families; should organise immunization programmes for children and should arrange for medical care for emergency and maternity cases; they should do effective liaison work between the teachers in the residential and non-residential schools and the parents of the school-going children; they should deal with family problems like marital discord, parent-children relationship, etc; organise small committees from among the tribal people for sanitation and personal hygiene, games and recreation, etc., organise group discussions, particularly for household management; and they should conduct adult literacy classes.

3.6 The trained personnel of this Agency should help in effecting the necessary attitudinal changes in the members of the tribal communities on an individual and group basis to enable them to accept and make the best use of the various Government Developmental programmes and become partners in their own betterment.

3.7 As for the needed funds for the proper functioning of this Agency, Rs. 15 lakhs out of the Rs. 20 lakhs earmarked for tribal research in Tamil Nadu during the current Plan period may be given as a lump-sum grant for a five-year period. This Agency may raise funds on its own to supplement the grant from the Government. If, at the end of the first five years of existence of this Agency, it is found that this Agency should continue for another period o five years for 'follow up' work, the grant from the Government for the renewed period is to be one half of the original grant.

3.8 This Agency, if it so desires, may open a branch in Coimbatore to look after the welfare of the tribal communities in Coimbatore, Nilgiris and Tiruchirapalli districts, and the Agency is to raise funds on its own for this purpose.

3.9 This Agency is to submit an annual report about the progress of work together with an audited statement of income and expenditure at the annual meeting of the Executive Committee of the Agency with a copy to the Commissioner for I. D. I. T. D. Agency.

October Seminar

Summary of Discussion

The October seminar featured the paper Tribal Welfare by Prof. S. Ramanathan. In Dr. K. K. Pillay's absence, the seminar was chaired by Dr. M. Srinivasan.

Presenting the paper, the author drew attention to the need for a sociological definition of the term Scheduled Tribe, which was at present lacking. He pointed out the various loopholes existing in the current mode of enumeration of Scheduled Tribes which not only led to distortion of figures of population and distribution of Scheduled Tribes, but also affected their mobility. It was noted that Tamil Nadu accounted for only 6.94 per cent, of the total Scheduled Tribe population in the country, in 1971, of which 70 per cent was concentrated in four districts. The author discussed some of the benefits currently available to Scheduled Tribes, though, he said, how far these accrued to the people was difficult to assess. He argued that the tribal population in the State being small and being concentrated in a few districts, their lot could be improved in a short duration provided appropriate schemes were implemented. He had several suggestions to offer, the principal one being a scheme to start what could be called an Inter-district Integrated Tribal Development Agency (IDITD) in the four districts where the tribal population was concentrated. He also envisaged a very crucial role for voluntary agencies and hence advocated the setting up of a Tribal Welfare Agency which could serve as an effective link between the tribal communities and the IDITD Agency.

The discussion following the presentation of the paper raised some very fundamental issues concerning the tribal people and their welfare, viz., whether the tribal communities posed a problem to society at large, whether they were really in need of help, and whether at all their way of life should be interfered with. At one extreme there was the view that the tribal people were entitled to their own life style (in fact it was felt that their approach to life was very sensible) and it was improper to inflict any change on it. And at the other extreme was the view that from the standpoint of national integration, society did have a role to play in overseeing the welfare of the tribes. Here it was added that if the Scheduled Tribes were continued to be treated as a segregated group, it would isolate them completely from the national mainstream; hence the aim should be to gradually draw them into society's fold. Further, while it was suggested that the nomenclature 'Scheduled Tribe' itself must be dispensed with, it was pointed out that this would be possible only in the long run, for in the short run it was essential for purposes of identification of tribal communities and evolving policies and schemes exclusively for them.

A major issue to be resolved was the manner in which the tribal welfare issue was to be approached. The need for a cautious socio-economic approach was emphasised. One participant observed that the tribal people should be offered those benefits and services which they *need* but which they may not demand, since the needs identified by them may not be "adequate human needs". Since mere offering of monetary/material incen-

tives did not serve the purpose, it was stressed that there had to be a clear understanding not only of the needs and priorities of the tribal people but also of the kind of transformation envisaged.

Some of the problems that were encountered while attempting to solve the Scheduled Tribe problem were also highlighted. One of these was the fact that members of the tribes showed a high preference for leisure rather than for work. Besides, changing an entire tribal community's outlook on life and work was a question requiring serious thinking and a sensitive approach. It was relatively simple to motivate a few members to work and accumulate wealth. However, their influence on their community, when they re-entered it, caused havoc, not only disrupting the community's solidarity but also ruining its economic and social pattern of life. It was precisely because of such incidents that the tribes viewed changes imposed from outside with suspicion. Further, the economic activity of the tribal people had to be viewed in the context of their socio-cultural life. In the north-east region of India, jhumming was the traditional mode of cultivation of tribal people. However, the government had made every effort to prevent this type of cultivation and as a result the tribal society was not able to put forward its normal effort. Hence it was felt that it was extremely important to understand and appreciate the values, traditions and practices of the tribal people before attempting to change their mode of life. The question to be considered was whether society was in a position to affer better alternatives. Moreover, as it was pointed out by another participant, it had to be remembered that changes imposed from outside always tended to be temporary—to be permanent, changes had to come from within. Nagaland was cited as an outstanding example of success—tribal welfare had been achieved in this State because the concerned agencies worked on the tribal people's terms, identified themselves with members of the tribe and did not incur their hostility.

Among the administrative problems that were being faced at the moment were the misuse of funds allocated to tribal welfare, the benefits failing to reach the people, the lack of emphasis on welfare expenditure and the gradual decline in enthusiasm in welfare schemes once they had been implemented.

During the course of the discussion, two other points were noted.

First: One participant felt that drawing the tribal people into the national mainstream through inter-marriage was plunder on a social scale. However, a rejoinder to this view was that in order to achieve the larger objective, some cost had to be borne.

Second: The present method of enumeration of Scheduled Tribes, it was noted, gave rise to a paradox—the 'restricted area' principle went counter to the basic principle in Economics that mobility is an important factor for development.

In his concluding remarks, the author reiterated that the Scheduled Tribe population in Tamil Nadu being small and being concentrated mainly in four districts tribal welfare could become a reality in a short span of time provided suitable schemes were implemented.

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It was felt by some participants that the report of discussion of the Institute's monthly seminars should be made available to the public.

Growth, Sustainability, or...? *

The Planning Committee of the conference has asked me to deal with Self-reliance and Economic Growth in Developing Countries within the context of the continuing ecumenical discussion on a Just, Participatory and Sustainable Society. I get the impression that there is an implicit assumption that of the three adjectives, just, participatory and sustainable, the most important or at least the most urgent is "sustainable". This is reflected in the Planning Committee's poser to the participants in the discussion:

> Assuming that there is a limit to the earth's capacity to supply continuing world-wide economic growth and constantly expanding standard of living for all people, Christian ethics demand that the rich world's material growth should taper off while the poor world continues to grow. Do you accept the *underlying assumption?* *If so,* what is the nature of the economic system which could deal with this situation? *In what ways would this system challenge* the *traditional economics* of the capitalist and socialist world?

I cannot claim to have any special competence in the area of Christian ethics. I am willing to accept that Christian ethics demands justice, but I am not sure that justice is based on the principle of arithmetic average. In any case as a student of economics and of society I know also that more growth does not necessarily mean greater *share* to the deprived (in spite of the oftrepeated dictum that when the cake grows everyone can have more), and that more growth and less growth are not brought about by merely passing resolutions to that effect. If I had more time at my disposal I would have entered into a discussion of these aspects. But I am constrained to skip them and go directly to the "sustainable society".

A *new social order has been a major* theme of the ecumenical movement almost from its inception and the sustainable society is the latest *manifestation* of that urge. It is a product of the seventies and a response to the "limits to growth" uproar of the early seventies. It is related to the *political economy of the affluent* nations, particularly the affluent capitalist nations of the West. As the material abundance of these nations grew, after the post Second World War period and countries vied with one another in the game of growthmanship with the aid of modern science *and technology,* growth became the national creed as never before in history. It came to be accepted also that steady growth could be sustained only through equally *steady* wasting of resources. In the name of economic progress, profligacy became the chief

* Excerpts from a talk given by C. T. Kurien at the World Council of Churches' Conference on "Faith, Science and the Future" at the Massachusetts Institute of Technology, USA, July 1979.

national virtue with the mass media as its main propagators. Increasing use of resources came to be thought of as the symbol of social progress and it is reported that the Senate of the United States went on record in the late sixties with a sense of national pride, I presume, that the people of the country, (just a 7 per cent of the world's population) had used up in the decade of the sixties more resources of the earth than the entire humankind in all previous history. It is this grand American dream of endless expansion and evergrowing affluence that was disturbed by the limits to growth oracle. The oracle spoke about the finite resources of the planet earth, but the message was clear—the American way of life cannot be sustained in America itself and in other parts of the world where tiny islands of affluence had emerged in vast oceans of plain living. May I submit that the limits to growth slogan and its antidote the "sustainable society" are both reflections of the anxiety of a pampered minority that its way of life, style of living is being threatened. This was probably not clear in the early seventies or even the mid-seventies when the Americans held on tenaciously to the dream of the two-car, "average" family, but in the summer of 1979 when gas stations have to be closed down systematically, big cars have to be abandoned out of necessity, and people who were always on the move have to stand in lines for gasoline, there is no doubt what the writing on the wall means. The future shock has come, shockingly different from what it was forewarned to be.

Nor is this all. The clever manipulators of capitalism are still making profits, from trash, from scarcity, through pollution, through anti-pollution — and above all through their propaganda that private affluence is still necessary and possible. For the law and logic of capitalism is accumulation and more accumulation, and converting the limited resources of the spacecraft earth into private affluence and accumulation is not prohibited by the rules of the game. Capitalism today confronts a major dilemma: by its *raison d' etre* it must grow, accumulate and expand, but nature now sets limits, and makes it impossible for it to pursue its vocation. The "sustainable society" is a naive alternative put forward by innocent economists who like to feel that their science has a remedy for any problem related to resources. A commentator has aptly described it as the economists' attempt to optimise the arrangement of deck chairs on the Titanic.

But of course the advocates of "sustainable society" claim for it very noble motivations. According to some of them reduction in the rate of utilisation of the resources of the earth today is a duty that the present generation owes to the future generation. This sudden concern with the generations yet to be born could have been interpreted as an indication of the maturity of the human race. This would have been so if the same concern were to be shown about the plight of the generations that are with us today. Otherwise one is justified in making a profane paraphrase of St. John and saying: If you claim to be concerned about the unborn humanity that you cannot see, but show no regard for the humanity that you can see all around you, then you are a liar.

The advocates of the sustainable society concept try desparately hard to cover up the lie by proclaiming that the concept is internationally applicable and that in the interest of a global sustainable society the rich nations must reduce their growth and the poor nations must accelerate theirs. To me it appears to be a very jejune argument. For one thing, I do not

believe in any prescription about "growth" whether it is to increase growth or to decrease growth, which does not also spell out the social processes that will make that prescription operational. Because, growth is not a number to be manipulated at will, but a societal phenomenon showing clearly the marks of the social fabric on what is being produced, how and for whom it is produced. I must also insist that the anxieties that underlie the sustainable society concept are not real for the vast majority of humankind. Let me make this contention concrete with reference to the pattern of living of people of my own country. According to the latest information available the per capita monthly expenditure of people in the rural areas of India (80 per cent of a total population of some 650 million) is Rs 53 with Rs. 39.7 spent on food and Rs. 13.3 spent on non-food items. A more detailed break-down will give a clearer picture of the pattern of life of these vast multitudes. Of the approximately Rs. 40 spent on food, cereals claim Rs. 23, milk and milk products Rs. 3.8, pulses Rs. 2.0, vegetables Rs. 2.0, edible oil Rs. 2.0, sugar Rs. 1.7, meat, fish and eggs Rs. 1.4, spices Rs. 1.3, beverages Rs. 1.2 and fruits and nuts Re. 0.6. The major items of non-food expenditure are, clothing Rs. 3.6, fuel and light Rs.3, tobacco and intoxicants Rs. 1.5, durable goods including foot wear Re. 1.0, and miscellaneous goods and services Rs. 4.2. I can assure you that the main item under the miscellaneous category is not gasoline! According to prevailing exchange rates the U.S. dollar is equal to about Rs. 8, the British pound approximately Rs. 17 and the Russian ruble about Rs. 10. On this basis you can convert the figures I have given above into currencies you are familiar with to get a mental image of the conditions of living of some of your fellow people. Please remember also that the figures I have mentioned are averages and possibly 75 per cent of the population comes below the average. Similar figures can be given from many other countries of the Third World also, which really constitutes two-thirds of the world's population.

Usually these figures are quoted to show how utterly poor the bulk of huma nity is, and that must be accepted as a fact, but there is more to it. You will notice how little of the so called "scarce resources" of the earth enters into their consumption patterns directly. Even indirectly the only scarce non-renewable resource on which their lives depend is land for cultivation. This means that even if all the petroleum were to be exhausted, all the coal and copper were to be used up, and produced energy supplies were to run dry **the poor would suvive.** I don't for a moment imply that the bulk of humanity must be kept at such miserably low levels. But if it is true that the vast majority of human beings are far removed from the threats posed by "limits to growth", in whose name are we conducting our "sustainable society" discussions?

Since I have been asked to refer specifically to growth in developing countries may I draw your attention to a few more aspects of life and change in my own country? The population of India, according to the 1951 census, the first after Independence, was 355 million, and everybody, particularly experts from the West considered the country vastly "over-populated". In those days few dared to believe that 30 years from then the population of that already dangerously "over-populated" country would be 700 million. But so it is. During the same period food production also increased from 55 million tonnes to close to 130

million tonnes. This too has been quite an impressive performance. And here is a paradox for those who take only an arithmetic approach to growth. No other period of Indian history has witnessed such pronounced increase in population, yet in no other 30 year period has there been a more or less steady increase in per capita income in the country! And to those who mechanically proclaim that growth is good for the poor, may I point out that that impressive record of growth and increase in per capita income did not benefit the bottom 40 per cent, but went to fatten further those at the top. One more puzzle. Recently when the new popular government came up with a New Strategy of Development to eradicate poverty and unemployment the target of food production for 1983 was set at 145 million tonnes, increasing the daily per capita availability of food from 0.52 kg in 1978 to 0.57 kg in 1983 because it was scientifically calculated that the *demand* for food (not the *need* for food) would not exceed it.

How do we interpret these apparently bizarre phenomena? Do we say that India still continues to be part of that mysterious Orient beyond the rationalities of science, the logic of modern economics, and now the ethics of the ecumenical movement? Or do we say that words like "growth" and *"sustainable society"* are empty, though emotive, and that therefore one cannot discuss them effectively unless one puts content into them?

I have already put *a* content into the concept of the "sustainable society" as the term is now being used in Western circles. To repeat, it is my contention that it reflects little more than the neurosis of the members of the Club of Affluence because their *hitherto protected domains are* being threatened. But as those who claim hegemony over the whole world, they naturally project their fears as a phenomenon encompassing the whole of human kind.

If it were understood in these terms it would not have become necessary for the socialists of the world to come up with the *counterheresy that all* talk of the finiteness of physical resources is just capitalist propaganda, and that under socialism unlimited growth is both possible and necessary. No one can deny that the increase in the production of material goods is a necessary condition to move up from the realm of necessity to the realm of freedom. But socialist dogma misrepresents this proposition when it is argued that an increase in the abundance of things is also a sufficient condition for freedom, and that the more things a society has, the closer it is to becoming genuinely free. In relation to things a socialist society certainly differs in many ways from a capitalist society, but that does not prevent a socialist society from becoming a slave to material abundance, or from falling into the error of curbing the spirit of the human being as a means to have more things to set one free! To pretend that this danger does not exist in a socialist state is to become blind to what history, including contemporary history has to show.

I must return to the main theme—just, participatory and sustainable society. I am sure all of us want it. But how and where? Stone walls do not a prison make, says the old adage; neither do emotive adjectives make a society. How then do we *make* a just, participatory and sustainable society? I submit that we do not achieve it either through technical calculations of sustainability supplied by scientists and experts or through theoretical assertions about justice, put forward by philosophers and theologians. What determines whether a society is just or will be sustained is the

actual pattern of participation in its affairs by its members. It means, for instance, that in a capitalist society a just, participatory and sustainable society is not achieved primarily through the arithmetic of sustainability, but by realising that the so-called institutionally neutral market mechanism is very much an ally of those who own and control resources and that its operations will make the vast majority of people effectively non-participants when it comes to questions on how resources are to be utilised. In a socialist country it means recognising that a mere legal socialisation of the means of production does not ensure justice unless provisions are made for effective participation in economic and political decision-making process by all members of society. And in countries like mine where millions of people linger at the survival level, and an increase in the growth of goods and services is a necessary condition for human dignity, it means recognising that growth cannot ensure freedom and justice without the willing participation in it by the masses who alone must decide what must be produced and how much. Effective participation by *all* members of society in the social processes does not come about without effort in any part of the world; in most instances it will call for sustained struggle. Just and sustainable societies will emerge in our lands if we too join in these struggles when we return to our homelands.